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Massachusetts Com. on State Admin. & Expenditures - Report



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REPORT
ON
STATE ADMINISTRATION AND EXPENDITURES
SUBMITTED TO THE
GENERAL COURT
BY THE
COMMISSION ON STATE ADMINISTRATION AND EXPENDITURES

JANUARY, 1922

COMPLIMENTS OF
SILAS D. REED
OF TAUNTON,
SENATOR, FIRST BRISTOL DISTRICT

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COMMISSION ON STATE ADMINISTRATION AND EXPENDITURES

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The Commonwealth of Massachusetts

CHAPTER 53, RESOLVES OF 1921.

RESOLVE ESTABLISHING A SPECIAL COMMISSION TO INVESTIGATE PROBLEMS RELATING TO THE ORGANIZATION, WORK AND EXPENDITURES OF THE EXISTING ADMINISTRATIVE DEPARTMENTS OF THE COMMONWEALTH.

Resolved, That a special commission is hereby established, to consist of three members of the senate to be appointed by the president, five members of the house of representatives to be appointed by the speaker and five persons not members of the general court to be appointed by the governor with the advice and consent of the council. The commission shall choose its chairman, and shall be known as the Commission on State Administration and Expenditures. It shall be the duty of the commission to investigate and consider the administrative organization of the state government, the functions and duties of the several departments, and the possibility of promoting greater efficiency and economy, including:

(1) Whether the provisions of Article LXVI of the amendments to the constitution and of the laws for the reorganization of the executive and administrative work of the commonwealth into not more than twenty departments have been carried out in letter and spirit, and what, if any, administrative changes should be made to promote efficiency and to prevent waste and duplication of effort and unnecessary expense.

(2) The method of administering the provisions of the constitution and the laws with reference to the budget, and whether any changes are advisable in method, procedure or law governing the appropriation and expenditure of public money.

(3) Whether, having in view the entire programme of the state's undertakings, the needs of the state, and the cost and relative importance of each undertaking, there are any which it is advisable that the state should curtail or wholly give up.

(4) Concerning departmental and institutional business organization and management, and the method of handling and auditing departmental, institutional and other accounts of the commonwealth.

(5) Ways and means whereby comprehensive plans may be made in advance concerning the needs of the several departments for a series of years, especially with respect to construction of new buildings, highways, harbor improvements, development of state forests, and other public works.

(6) Whether any changes are desirable in the number of positions in the services of the several departments or in the amounts and method of classification and standardization of salaries, including those established by law, having a view to economy on the one hand and to the value of the services performed and to efficiency of management and operation on the other.

(7) What changes in the method of purchasing supplies, disposing of the products of the state's institutions and disposing of property not in use and fit for salvage are desirable, with a view to the greatest economy.

(8) The advisability of taking further steps toward placing any of the activities of the state on a self-supporting basis, through the charging of fees or otherwise.

The commission shall report its findings, with such recommendations and drafts for such legislation as it may deem expedient, to the next annual session of the general court by filing the same with the clerk of the house of representatives on or before the first Wednesday in January, nineteen hundred and twenty-two. Upon the filing of such report, the existence of the commission shall terminate. The commission shall be furnished with rooms in the state house. The commission may give public hearings, and may require by summonses the attendance and testimony of witnesses and the production of books and papers relating to any matter under investigation, and may administer oaths to witnesses testifying before it. Such summonses shall be issued and such oaths administered by the chairman of the commission. A witness who gives false testimony or who fails to appear when duly summoned shall be subject to the same penalties to which a witness before a court is subject when so offending.

The commission may expend such sums for expenses, travel, clerical and other assistance as may be approved by the governor and council, not exceeding such sum as the general court may appropriate; provided, that the members of the commission shall not receive compensation except for expenses actually incurred in the discharge of their duties. The commission may avail itself of the services of the department of the supervisor of administration. [*Approved May 27, 1921.*]

REPORT ON STATE ADMINISTRATION AND EXPENDITURES.

To the Honorable the Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled.

The Commission on State Administration and Expenditures, created by chapter 53 of the Resolves of 1921, which is herewith given, has undertaken the investigations provided for therein, and hereby respectfully presents its report.

Chapter 53 was approved May 27, 1921. The personnel of the Commission was selected about one month later, and its first meeting was held on July 7, 1921. An appropriation of \$5,000 was made to carry on the work of the Commission.

Pursuant to the duties assigned to it, the Commission has made studies of the functions and activities of the various State departments, has held numerous meetings at which State officials and others have appeared, and one public hearing. It has visited various State institutions and other undertakings, and has otherwise assembled as full information regarding the administrative activities of the State as the limited time at its disposal has permitted.

The Commission early came to the conclusion that the magnitude of the State's business was such that all branches could not be covered in detail without sacrifice of their broader aspects and neglect of the more helpful consideration of fundamental principles and practices. The Commission, therefore, with some regret has had to confine its report largely to matters of fundamental importance in the efficient administration of the State's business. The controlling effort in its studies has been to adopt a business point of view as far as is consistent with the character of the activities. So far as possible, also, the general questions of administration have been considered without reference to the personnel of the existing organization.

The Commission is duly impressed by the great increase in general taxes in recent years, and the burden of such taxes upon individuals and industries. The logical important sources of reduction in tax burdens are: (1) greater efficiency of administration; (2) curtailment of non-essential activities; and (3) increased charges for certain special activities so that their cost will be fully met by the particular parties benefited instead of being partly met by general taxation. The Commission has given careful attention to these primary sources of saving, and has reached the conclusion that material results can be obtained from each.

Increased efficiency would follow from greater co-ordination of the various activities, more sustained personal effort, and concentration of specialized functions in expert agencies. Very few of the State's undertakings would under normal conditions be considered as extravagant, unwise, or beyond the usual scope of governmental functions; but under the stress of existing tax burdens, some can be abandoned without serious sacrifice and with appreciable reductions in expenditures. A reduction of considerable magnitude in general taxes from increases in fees or other charges for special services can be made if the State will adhere more fully to a policy of self-support for the activities involved. The recommendations contained herein for increased fees or other charges are solely for the purposes of equalization through which general taxes may be reduced, and not for providing additional revenue for new or enlarged activities.

Public comment has been made to the effect that the cost of State administration has substantially increased since the departmental reorganization in 1919, intimating that this reorganization has failed to accomplish its intended purpose. It should be recalled that prices and the costs of carrying on all business have increased very much since the reorganization date. The cost of conducting the State's business, excluding war bonuses and other new functions, has not increased as much as have the costs of other enterprises, and the Commission finds no basis for an opinion that the administrative reorganization of 1919 has not been beneficial.

In preparing its report the Commission has had particularly in mind the eight lines of investigation to which its attention

has been specifically directed by the terms of chapter 53, under which it was created. Its general conclusions and recommendations are accordingly grouped into the eight following sections corresponding to the sections of the resolve.

Some of the recommendations contained herein require new legislation or changes in existing laws. An Appendix to be filed later will contain the drafts of certain acts necessary to make effective the more important recommendations.

As the various significant conclusions and recommendations of the Commission are necessarily distributed throughout the body of this report, a brief summary thereof is here inserted for ready reference.

SUMMARY.

I. Findings of the Commission.

1. That a reduction of approximately \$10,000,000 per year in general State taxation can be made if the recommendations herein contained are put into full effect, a material part resulting from consolidations, abandonment of activities, and increased efficiency; the balance from assessing costs of special activities upon the beneficiaries.

2. That increases in administrative expenditures since 1919 have not been due to departmental reorganization. If these increases had kept pace with general living and industrial costs, they would have been more than double the actual amount.

3. That State departments are functioning in conformity with the reorganization act of 1919, but not in full accord with the intent of Constitutional Amendment LXVI, in that certain departments, having no single head, do not act as coherent units.

4. That the present executive budget system is satisfactory, if modified to conform to modern accounting methods and to permit limited expansion of productive activities beyond budget limits if offsetting revenue is thereby assured.

II. Recommendations of the Commission.

1. That further consolidations of State activities be made into nine major administrative departments, four others under constitutional officers, two others with limited duties, and four

executive activities, — a total for all activities of nineteen instead of the present thirty.

2. That the heads of the nine major departments constitute an Administrative Cabinet, with the Governor as chairman. The purpose of this, the Commission's most important recommendation, is to effect co-ordination in place of isolation of departments, to encourage discussion of common interests and policies, and to continue the work for which this Commission was appointed, — of determining ways and means of conducting the State's business with maximum economy and efficiency.

3. That the departmental consolidations include the following: —

(a) A Department of Administration and Finance, to include the Supervisor's functions, a purchasing bureau, an accounting bureau under a Comptroller, and a division of personnel and standardization.

(b) A new Welfare Department, to include present departments of Mental Diseases, Correction, Welfare, and health sanatoria.

(c) A Department of Corporate Activities, to include present departments of Corporations and Taxation, Banking and Insurance, and Public Utilities.

(d) Other smaller consolidations and transfers of activities.

4. That the present obsolete accounting system be replaced by a standard system based on commitments rather than cash transactions, the new system to be designed and administered by the Comptroller, the Auditor to do auditing only in the future, and the Treasurer to do only cash and fund accounting.

5. That civil service regulations be changed to curtail existing exemptions, to provide for non-competitive examinations in certain special cases, and to transfer appeals from discharge from the courts to a board of review.

6. That a central purchasing agency be established to take responsibility for all State purchasing, to standardize departmental requirements, and to make blanket purchases where practicable.

7. That fees and other charges for activities and facilities of special rather than general benefit be increased, so far as possible, to cover the full cost of the service. Included therewith is a revision of motor-vehicle fees and a tax of two cents per gallon upon gasoline or other fuel.

SECTION I.

The first group of matters to which the attention of the Commission was directed is as follows: —

(a) Whether the provisions of Article LXVI of the Amendments to the Constitution and of the laws, for the reorganization of the executive and administrative work of the Commonwealth into not more than twenty departments, have been carried out in letter and spirit.

(b) What, if any, administrative changes should be made to promote efficiency and to prevent waste and duplication of effort and unnecessary expense.

Commenting first upon paragraph (a) of the above, the Commission finds that the several administrative departments of the Commonwealth are functioning substantially in accordance with the provisions of chapter 350 of the General Acts of 1919, under which the activities of the State were reorganized. The Commission is not convinced that the reorganization is in accordance with the spirit of Article LXVI. This amendment requires that every administrative office, board, and commission, except those officers serving directly under the Governor and Council, shall be placed within not more than twenty departments to be designated by the General Court. It was presumably the intent of the Constitutional Convention, which drafted the amendment in question, that when an activity was "placed" within a department it should become an integral part of an administrative unit having a responsible head and functioning under his direction.

In certain respects chapter 350 does not fully carry out such an interpretation of the constitutional amendment. Sections 45 to 50, inclusive, of this chapter provide for the establishment of the Department of Banking and Insurance, organized into three divisions, as follows: (1) Banks and Loan Agencies, (2) Insurance, (3) Savings Bank Life Insurance. Each division is in charge of a commissioner, responsible for the activities of the division, but no one of these commissioners, or any other officer, is responsible for the department as a whole. Under the above conditions these three divisions of the department have functioned substantially as separate and distinct departments.

Sections 63 to 67, inclusive, of chapter 350 provide for the creation of a Department of Civil Service and Registration, organized into two divisions of Civil Service and Registration, respectively. Each division, as in the case of the Department of Banking and Insurance, has an officer responsible for the activities of the division, but neither responsible to the other, and therefore with no head to the department.

The sections of the act under which the above two departments were created both provide that the commissioners in charge of the several divisions shall act as a board in all matters affecting the department as a whole, but such matters have so far been negligible in the activities of these departments.

Sections 123 to 129, inclusive, of chapter 350 provide for the consolidation of existing metropolitan district activities under a new Metropolitan District Commission. This commission is in charge of a commissioner and four associate commissioners, all appointed by the Governor, the commissioner being designated as the executive and administrative head of the commission, with authority to determine the subdivisions of the commission's activities and to appoint and remove a director in charge of each. Other employees of the commission, including the secretary, engineers, purchasing agent, inspectors, police force, clerks, etc., are appointed by the commission as a whole. Other functions of the associate commissioners are not clearly defined, and their compensation is not sufficient to insure their full service. For the above or other reasons the several activities which have been brought together under the jurisdiction of this commission have apparently not been administered with as complete co-ordination as exists in other departments with a more definite scheme of organization.

In some other departments which are combinations of a number of previously independent activities there has not been full co-operation between division directors (who may, prior to the reorganization, have been heads of independent divisions) and the commissioner in charge of the new department.

The natural reason for such lack of co-operation as exists is the fact that the reorganization program contained in chapter 350 left the appointment of these now subordinate officials in

the hands of the Governor and Council. It is generally acknowledged that maximum administrative efficiency can be obtained only through direct responsibility of all officials and employees to their immediate superiors, and that authority over subordinates is effective largely through power of appointment and removal. It follows that, fully to accomplish the purpose of Constitutional Amendment LXVI, and to promote co-operation and efficiency, authority to appoint and remove departmental subordinates (subject to approval of the Governor and Council) should be lodged in the department heads, except where advisory or quasi-judicial functions are involved. The Commission is of the opinion that if chapter 350 had lodged full administrative authority in single department heads, the departmental activities would have functioned with materially greater smoothness and efficiency.

As far as the remaining departments are concerned, the Commission has found no noteworthy evidences of failure to observe the provisions of both the constitutional amendment and the legislative acts under which they are functioning other than are involved in the appointment policy referred to above. Certain minor activities were not assigned by chapter 350 to any of the newly organized administrative departments, but were placed in the Executive Department under the direct supervision of the Governor. In most cases these activities are not of an executive nature, and should be attached to appropriate administrative departments.

The Commission is not unmindful of the difficult task confronting the General Court of 1919 in carrying out the requirements of Article LXVI of the constitutional amendments. The reorganization of more than one hundred independent departments, commissions, boards, and other agencies having State-wide activities into twenty co-ordinated departments was a formidable problem, and the Commission is not disposed to be critical of the results so far accomplished. On the contrary, these results reflect the wisdom of the General Court in prescribing a reorganization which, while comprehensive, was not so drastic as to cause excessive temporary confusion.

WASTE AND DUPLICATION.

With regard to that portion of paragraph (b) of this section referring to changes "to prevent waste and duplication of effort and unnecessary expense," the Commission has found, in its studies of the activities carried on by the various departments, that in a number of cases similar activities are independently carried on in different departments, some of them involving duplication of work. There are also cases of wholly unrelated activities combined within one department.

Separation of similar activities into different departments may be illustrated by the disposition of licensing or registration functions which, for professional and other occupations, are handled in four separate departments. It would appear that most, if not all, of the sixteen or more occupations and professions requiring State licenses could be handled more efficiently by one department.

Illustrations of overlapping or duplication of activities which have come to the attention of the Commission include the following:—

The construction and maintenance of highways and bridges is divided between two State departments, supplementing the work of this character done by cities, towns and counties.

Forestry and pest control activities are carried on by four different departments and in two separate divisions of two of these departments.

Police functions are performed by five different agencies.

Engineering in connection with construction work is carried on by at least three departments, and in three separate divisions of one of these departments.

Rainfall records are kept by two State departments, in addition to those compiled throughout the country by the Federal government.

Americanization activities are carried on by two departments, including three divisions of one of these departments.

Inspections of new buildings and their appurtenances are made by three different departments.

Food is inspected by two departments, and there is overlapping in other miscellaneous inspection work.

There is also overlapping or duplication of statistical work done by various departments, either between the departments themselves or between the departments and the Federal government.

All departments whose activities are located outside the State House carry on their necessary purchasing independently, and State House purchasing is divided between two departments.

The above enumeration does not include all the matters of this character that have come to the attention of the Commission, but they are sufficient to illustrate the possibilities of saving in administrative costs through more logical rearrangements. The specific recommendations which the Commission makes to bring about better co-ordination are set forth in detail in Section IV of this report, which deals more specifically with departmental activities.

ORGANIZATION.

With reference to that portion of paragraph (b) of this section which deals with "the administrative changes which should be made to promote efficiency," the Commission is of the opinion that there are advantages in a further consolidation of existing activities into a smaller number of administrative departments. Attention is directed to the fact that the present number of departments is the maximum permissible under the recently amended Constitution, with a considerable number of detached activities assigned to the Executive Department. It will be recalled that the committee on administrative reorganization of the recent Constitutional Convention recommended that all the administrative activities of the State be combined into not less than seven nor more than fifteen departments, and the proceedings of the convention indicate that the committee favored an approach to the lower rather than the higher limit. With due appreciation of the practical difficulties attending any consolidation of administrative activities, the Commission feels that the success with which the greatly reduced number of departments has functioned during the past two years suggests the serious consideration of further consolidations.

The Commonwealth has endorsed the policy of administrative responsibility vested in the Governor, and, through him, in department heads, who, with few exceptions, are appointed and may be removed by him, subject to approval of the Council. Real responsibility of this kind requires that the Governor should have immediately responsible to him only such number of department heads as will permit the necessary intimate contact. In the most successfully conducted private businesses the number of subordinates immediately responsible to the executive is rarely much greater than the minimum of seven, suggested by the Constitutional Convention committee.

It may be impracticable at this time fully to carry out such an extensive further reduction in number of departments, but it is apparent that a substantial step in that direction should be taken without delay. The Commission is not unmindful of the objection which is frequently raised to concentration of authority and responsibility in the hands of single government officials whose compensation is usually less than that obtainable from private employment, thus making equal ability available, if at all, only through personal sacrifice. While there is risk in lodging responsibility in positions which may be filled by unqualified agents, experience has shown that executives exercise special care in appointments to positions involving large responsibilities. Failure to do so would seriously reflect upon their own fitness for office. If the changes recommended herein with respect to salaries, method of appointment, and tenure of office are adopted, the advantages of further consolidations of departments will be measurably increased.

The Commission accordingly recommends a reorganization of the existing twenty administrative and ten executive departments into fifteen administrative and four executive departments. Of the fifteen new administrative departments nine only are to be charged with broad and comprehensive functions, four have special duties in charge of constitutional officers, and two are also limited as to their scope or field of activity. It will be noted that the total number of administrative departments is within the upper limit fixed by the committee on reorganization of the Constitutional Convention, and that the number of large and broadly active departments is not far above the minimum limit fixed by that committee.

Administrative Cabinet.

The Commission recommends that the heads of the nine large administrative departments constitute, with the Governor, an Administrative Cabinet. It considers this to be the most important and far-reaching of all its recommendations. One of the serious and inevitable defects in the present scheme of organization is the tendency of each department to magnify its own problems and importance, continually to expand its activities, and to work for and expend as large appropriations as it can obtain in competition with other departments. There are few incentives to real economy and no established avenues of mutual interest and co-operation.

The proposed cabinet is designed to remedy this fundamental defect. Through such a cabinet the Governor would be brought into more intimate contact with the administrative problems of the departments; and the heads of the departments would at the same time learn of each other's problems, would have the opportunity to adopt common administrative policies, and maintain co-operative relations rather than the present spirit of isolation.

It should be the first duty, and also a continuing duty, of the cabinet to consider the most economical and efficient ways of conducting the State's business, to discuss common or related activities in the several departments, and to develop ways and means whereby the administrative organization can be made more simple and coherent. In a number of places throughout this report the Commission has recommended investigations, reports, and readjustments of existing practices. Such of these as involve single departments or unimportant matters might be settled by the head of the department, with the advice and consent of the Governor. Other matters more important or involving more than one department, but not of such a nature as to require legislative action, might properly be referred to the cabinet for consideration and decision.

It is recommended that the commissioner in charge of the proposed new Department of Administration and Finance be made the vice-chairman of the cabinet, to preside in the absence of the Governor. Stated meetings of the cabinet should be

held at least once each month, and special meetings should be held at any time upon the call of the Governor or the vice-chairman, or at the request of a majority of the cabinet members.

Organization Principles.

In connection with the proposed changes in administrative organization, it has been found necessary to employ with consistency a wider range of terms to designate the increased range of functions to be brought together in one department. Starting with the term "department," which is fixed by the Constitution, the word "bureau" is applied to the major grouping of departmental activities, usually in charge of an associate commissioner; the groups within a bureau are called "divisions," usually in charge of directors, as at present; the activities next lower in the scale are called "subdivisions." This nomenclature is used herein with reference to the new organization plan, and is recommended for general use because it seems to involve the least confusion of titles and duties. The Commission also recommends certain fundamental regulations with respect to appointment, tenure, and service, and certain other standard methods and practices, as follows:—

1. All commissioners in charge of administrative departments should be appointed by the Governor, with the advice and consent of the Council, and those who are members of the Administrative Cabinet should have a term of office terminating with that of the Governor, but should continue in office until their successors have been appointed.

2. Commissioners who are not cabinet members, associate commissioners, and members of the quasi-judicial and advisory boards should be appointed by the Governor, with the advice and consent of the Council, and should in general retain the tenures of office now provided by law.

3. Directors or otherwise entitled officials in charge of divisions in administrative departments should be appointed, without limitation to their tenures of office, by the associate commissioner in charge of the bureau in which the division is located, confirmed by the commissioner in charge of the department, and approved by the Governor and Council.

4. A department having extensive and complex administrative duties should have a commissioner in charge "without portfolio," having under him associate commissioners responsible for the several bureaus of the department.

5. A department having comparatively simple administrative functions may have at its head a commissioner who will also have direct charge of a bureau, other such bureaus being assigned to associate commissioners.

6. Each department should have a single administrative head, whether or not, like his associate commissioners, he has direct charge of a bureau. He should be responsible for the general administrative work of the department, the co-ordination of clerical and other activities of its bureaus, and the general conduct of its work. He should not, however, assume responsibility for the official acts of quasi-judicial boards which may be within his department.

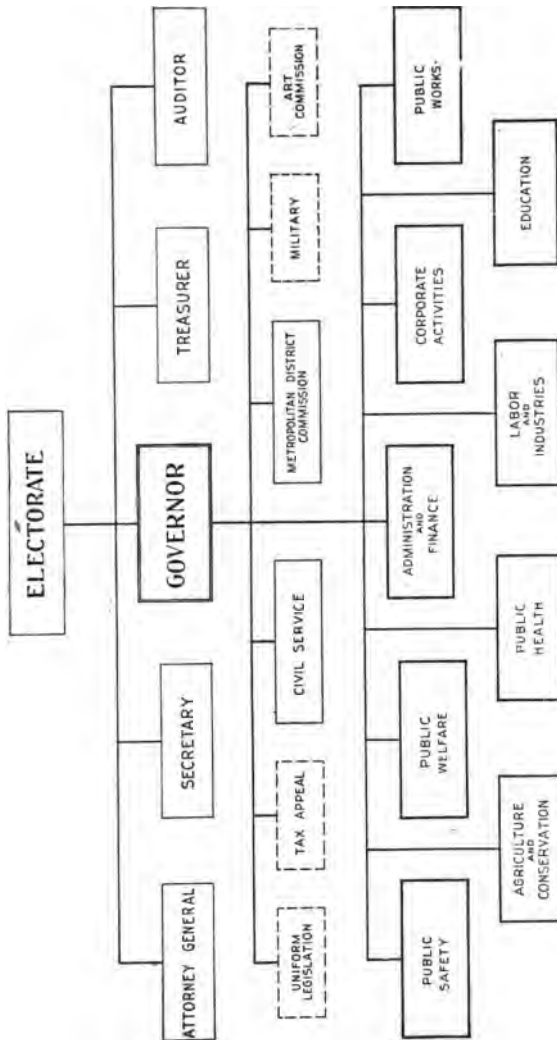
7. Appointments to subordinate positions within the departments, subject to civil service regulations revised as herein proposed, should be made upon nomination of the immediate superior of the appointee, with the endorsement of intermediate superiors and the final approval of the head of the department.

8. Departments in charge of a commissioner, without associate commissioners in charge of its bureaus, should have a deputy or other authorized substitute to perform his functions in his absence. Provisions of this kind are now lacking in certain cases.

9. All commissioners, associate commissioners, directors, and other employees of the administrative departments who are paid salaries intended to be commensurate with the full value of their services should devote substantially their entire time to the service of the Commonwealth.

10. A commissioner in charge of a department "without portfolio" should in general organize his associate commissioners into an advisory board, which should meet frequently to discuss matters of common interest. The actions of such boards should not be formal except in the event that all associate commissioners unite in opposing a plan or policy of the commissioner. Under such circumstances the associate commissioners should have the right to suspend action on the part of the com-

missioner, and, through one of their number, to present the case before the administrative cabinet for review and reference back to the commissioner with recommendations.



COMMONWEALTH OF MASSACHUSETTS
ADMINISTRATIVE ORGANIZATION
 PROPOSED BY
 COMMISSION ON STATE ADMINISTRATION
 AND EXPENDITURES
 BOSTON, MASS.
 DEC. 1921

11. When serving in certain designated cases as administrative (as distinct from advisory) boards, the commissioner and associate commissioners should have equal voice in the deliberations. In case of a tie vote upon any matter, the board

should call upon the Governor, or, by agreement, upon a commissioner or associate commissioner from another department, to decide the matter at issue.

12. It appears to the Commission that some of the advisory boards and boards of trustees of institutions are so large as to be unwieldy and inefficient. Certain of these boards contain as many as eighteen members. It is recommended that, by failure to fill vacancies, the membership of these boards be reduced gradually to seven.

The above statement of principles will serve to assist in the understanding of the details of the proposed administrative reorganization which are set forth in an accompanying diagram. The heads of the nine heavily outlined departments at the bottom of this diagram constitute the members of the Administrative Cabinet. The following pages contain brief descriptions of the functions and scope of the reorganized departments. These descriptions are accompanied by charts showing the important new functions and lines of responsibility. It has not been the intention of the Commission to include in its descriptions or charts details of the subsidiary functions or organization of the new departments. The most efficient arrangement and functioning of the subsidiary activities are matters requiring extended study and knowledge of the particular activities. It has therefore been assumed that these activities would continue to function at the beginning of the reorganization substantially as at present unless otherwise indicated, and the Commission recommends that the heads of all new departments make a careful study of the initial functioning of their organizations, and if, or as soon as, need of changes is apparent, report to that effect, with recommendations to the Governor for attention of the Administrative Cabinet.

DEPARTMENTAL REORGANIZATION.

Administration and Finance.

The central feature of the new organization is the establishment of a Department of Administration and Finance, to take the place of the present executive division in charge of the Supervisor of Administration. The new department, in charge

of a commissioner, would assume the various functions now performed under the Supervisor of Administration, and provision is made for expanding and intensifying the work now performed.

In addition to these duties, this department would contain two new activities, — the purchasing agent recommended in Section VII, with the duties therein defined, who would be an associate commissioner; the Comptroller recommended in Section IV, with the duties therein defined, who would also be an associate commissioner; and it is proposed to have a third associate commissioner primarily in charge of the budget activities now handled by the Supervisor of Administration.

In addition to these three associates, it is proposed to place under the commissioner a director or other administrative agency, who should be qualified to carry on a wide range of departmental research tending to greater co-ordination and standardization of administrative activities. This division might properly contain technical advisers, who would assist the budget commissioner in solving engineering problems, and would also undertake engineering investigations in behalf of departments not organized to do such work for themselves. It is the conviction of the Commission that there are wide opportunities for improvements in efficiency of the departments, such as power plant and other technical operations, co-ordination of engineering and laboratory functions, etc., which would yield substantial financial results. With carefully selected personnel and proper encouragement and co-operation from other departments, the achievements of this proposed new activity might early reach proportions which would justify the title and compensation of associate commissioner at its head.

It is proposed to transfer to this department the responsibility for the State House, which duty is now lodged in the Superintendent of Buildings. The purchasing and store-room duties of this office would be assumed by the new purchasing bureau. The care and maintenance of the State House building and grounds should be in the hands of a custodian reporting to the commissioner or to the director of personnel and standardization, as the former may elect. Such jurisdiction as the Superintendent of Buildings now has over rented quarters of State

activities should be transferred to this department and made more comprehensive. The assignment of space in the State House should be in the hands of the commissioner and associate commissioners of this department acting as a board for this purpose. Appeal from a decision of this board should be had to the Governor, as at present.

The commissioner and associate commissioners should also act as a board on matters relating to accounting standards and practices (other than the establishment of the proposed new system) and the approval of important contracts negotiated by the associate commissioner in charge of purchases.

Public Welfare.

Under the above title the Commission recommends the consolidation of the Departments of Correction, Mental Diseases, the present Department of Public Welfare, and the institutional activities of the Department of Public Health. The remaining activities of the Public Health Department, including its miscellaneous inspection and educational work and engineering of water supplies and sewerage systems, are not disturbed, and are left in a separate department retaining the present title.

It is proposed to place the full administrative responsibility of the new welfare department in the hands of a commissioner, who should be a man of unquestioned executive ability and broad business experience. Under him should be associate commissioners in charge of the following groups of activities: Mental diseases, correction, hospitals and schools, aid and relief. These associate commissioners should all be competent professional men, familiar with the duties of their respective divisions, and with full authority in matters relating to treatment and welfare of inmates, but relieved of the business and mechanical details of operation, so that their time may be devoted primarily to medical or corrective treatment and other professional functions of their respective institutions.

It is proposed to include in the department, directly responsible to the commissioner, a director of business affairs, who would supervise all business details and financial matters incident to the operation of the various institutions, and direct the maintenance and construction of institutional equipment,

buildings, and grounds. Under him should be such purchasing or supply requisition clerks as are needed to function in connection with the central purchasing agency in the procuring of necessary supplies for the institutions. There should also be under this director a subdivision of technical assistants, who would supervise the operation of power plants and other mechanical equipment of the institutions to insure sustained maximum efficiency.

Directly responsible to the associate commissioners in charge of the various groups of institutions should be the staff activities and the superintendents of the various institutions. It is not proposed that the director of business activities should interfere with the responsibility of the superintendents over the operation of their respective institutions, but rather that the director should serve in an advisory capacity to the associate commissioners and the various superintendents, relieving them of responsibility for details foreign to their professional duties. Such interlocking activities might suggest possibilities of friction, but they exist in all large business organizations and work harmoniously. If the recommendations of the director are not accepted by the superintendent of an institution or his subordinates, the matter should be referred to the associate commissioner, or, if necessary, to the commissioner for final settlement; but it is not anticipated that such reference will be necessary except under unusual conditions. It is recommended that the commissioner be given authority to determine and adjust the many details of responsibilities and activities of the other divisions, to the end that the entire subsidiary organization may work together harmoniously and efficiently. An accompanying diagram shows the general organization of the department as outlined above, and a subsidiary diagram sets up in further detail a proposed organization with personnel of the division of business activities. The organization of the other divisions, except as otherwise set forth in the above general description, will remain substantially as at present.

In creating a new administrative head for this group of institutions, and adding a new division for handling its business affairs, the Commission is not unmindful of the expense immediately involved, but finds that present departmental organi-

zation and other costs can be reduced more than enough to offset this expense, leaving the saving in operating cost effected through the consolidation, estimated at \$887,500, as a net saving.

Corporate Activities.

Three entirely separate departments now have charge of the regulation of the affairs of corporations doing business within the Commonwealth. These three departments are Corporations and Taxation, Banking and Insurance, and Public Utilities. It is proposed to combine all these kindred activities into a new department with the above title. At the head of this department should be a commissioner, in charge of the general administrative work of the department, having full responsibility for its successful and efficient functioning, with the exception of the work of any quasi-judicial boards which are included within the departments to be combined. The decisions of such boards should not be subject to review by the commissioner. The commissioner should have under his supervision, as far as practicable, the clerical, stenographic, and filing activities of the entire department for the purpose of co-ordinating all such work in the hands of the smallest practicable number of persons.

Under the commissioner should be four associate commissioners, in charge, respectively, of the bureaus of Corporations and Taxation, Banks, Insurance, Public Utilities.

The Commission recommends that the present Division of Savings Bank Life Insurance be made a division in the Bureau of Insurance, with the understanding that the Bureau of Banking would co-operate and assist in any functions of the division involving banking interests. Associated with the Bureau of Banking should be the Board of Bank Incorporation as now organized. Associated with the Bureau of Insurance should be the Board of Appeal on Fire Insurance Rates as now organized. The Bureau of Corporations and Taxation should have divisions handling the following activities: Corporations, income taxes, inheritance taxes, local taxation, accounts, collateral legacy taxes.

The Bureau of Public Utilities should be organized with an associate commissioner as the administrative head, having responsible to him a secretary and the administrative and tech-

nical staff of the division, including engineers, inspectors, accountants, clerks, etc. Within the bureau should also be the Public Utilities Commission, of which the associate commissioner should be chairman. The associate commissioner should be authorized to assign to other members of the Utilities Commission such administrative duties, in addition to their quasi-judicial duties, as he may find expedient.

Labor and Industries.

This new department, bearing the same name as the present Department of Labor and Industries, includes the activities of the present department and also those of the Department of Industrial Accidents.

The new department should be in the charge of a commissioner, with responsibility for its entire activities other than the quasi-judicial decisions of subsidiary boards. Two associate commissioners are designated to have charge, respectively, of the Industrial Accident Bureau, comprising the activities of the present Department of Industrial Accidents (which it is not proposed to disturb), and the Bureau of Service and Standards, including the Divisions of Standards, Inspections, Employment, and Statistics, as now conducted. It is proposed that the Minimum Wage Board and the Board of Conciliation and Arbitration, having a common membership, should continue to function as at present, reporting directly to the commissioner with respect to such of their functions as may be within his province.

Agriculture and Conservation.

This new department is a combination of the existing Departments of Agriculture and Conservation. The functions of the two bureaus of the new department are not changed other than for some incidental transfers of minor activities referred to in Section IV. The new department should have at its head a commissioner, in charge of the general administrative, clerical, and filing systems of the department. Responsible to him should be two associate commissioners, in charge of the Bureaus of Agriculture and Conservation, respectively.

Public Works.

The general organization of this department is not affected. There has been added to its Highway Bureau the maintenance and construction of bridges and improved highways, now under the jurisdiction of the Metropolitan District Commission. This transfer does not include the care of bridle paths, lanes, and unimproved dirt roads within the metropolitan park system.

Public Safety.

The new Department of Public Safety includes the present department of that name and the Registration Division of the Department of Civil Service and Registration. This new department should be in charge of a commissioner, who would be responsible for the conduct of its administrative and office affairs. Under him and reporting directly to him should be the various existing safety and registration functions. Certain incidental transfers of registration functions affecting the new department, and the transfer of certain inspection functions to the Department of Labor and Industries, are defined in Section IV.

Public Health.

The new Department of Public Health, in charge of a commissioner, without associate commissioners, retains jurisdiction of the functions of the present Department of Public Health, except for the conduct of its sanatoria, which are included within the new Department of Public Welfare. The commission has recommended that there be added to the Engineering Division of this department responsibilities for engineering problems connected with the metropolitan district water and sewer systems, corresponding with similar responsibilities which the division now has with respect to other parts of the State.

Education.

The functions, scope, and organization plan of this department are not affected by the general reorganization. Transfers of certain incidental activities to or from this department, or their discontinuance, are referred to in Section IV.

Civil Service.

This department, in charge of a commissioner, retains the functions now performed by the Division of Civil Service in the Department of Civil Service and Registration. The commissioner should continue the general executive responsibility for the department, having associated with him two associate commissioners, acting as a board of civil service, as at present.

Metropolitan District.

The Commission recommends that, in the interests of more efficient administration, the supervisory organization of the department be simplified by a reduction in the number of its commissioners. It is proposed to place the full responsibility for the administration of the department in the hands of a commissioner, with two associate commissioners under him, the commissioner to take charge of one of the three bureaus of the department's activities, and the associate commissioners each to have one of the remaining bureaus.

Aside from this simplification, the responsibilities of this department are reduced by the transfer of the maintenance and construction of its bridges and improved highways to the Department of Public Works, and of engineering functions in connection with the design of water and sewerage system extensions to the Department of Public Health.

Departments under Constitutional Officers.

The departments under this heading are those of the Treasurer, Auditor, Secretary, and Attorney-General.

The functions of the Treasurer are simplified under the reorganization by transfer of bookkeeping functions to the Department of Administration and Finance, and of tax collecting functions to the Department of Corporate Activities. The Treasurer should retain his functions as custodian of cash and trust and other funds, and should keep at least one of his deputies and an appropriate subsidiary force.

The functions of the Auditing Department are also curtailed by the transfer of all accounting duties to the Department of

Administration and Finance, leaving only auditing activities, which should be performed by a very much smaller and simpler organization than is now required.

The Department of the Secretary of the Commonwealth is not affected by the reorganization other than by the addition of responsibility for the State Library, and the association of the Ballot Law Commission with the department.

The organization of the Department of the Attorney-General and its functions are not in any way affected by the reorganization.

Executive Activities.

In order to reduce the activities of this character as far as possible, it is proposed to attach to the Adjutant-General's Department (referred to in the general organization diagram as "Military") the Armory Commission and the Commission on State Aid and Pensions.

The only other executive activities, all of which remain unchanged, are the Commission on Uniformity of State Legislation, the Board of Appeal from Decisions of the Tax Commissioner, and the Art Commission.

SECTION II.

BUDGET.

In this section the Commission reports upon the budget system and procedure governing appropriation and expenditure of public money.

The principle of the executive budget has been endorsed and adopted by many governments, and is approved by this Commission. As applied in this State it has shown many advantages and few defects. The latter are the subject of the following comments and recommendations: —

A number of administrative departments carry on activities from which revenue is received. In some cases the revenue is expected to cover the cost of conducting the activity. In the present form of budget the revenues and costs of the activities are so widely separated as to make comparisons difficult. If the budget figures were rearranged to bring these two classes of items together, and the net loss, if any, from conducting each

activity intended to be self-supporting were added, the need of revision of fees or charges would be clearly shown. It is suggested that this change in form of the budget statement be given consideration in connection with the general changes in accounting practice herein recommended. The General Court has not exercised its right under the law to fix the form of the budget, and so the proposed change will require no new legislation.

In certain cases productive activities, such as agriculture, fluctuate materially with weather or other conditions. Budget appropriations for such activities (which must not be exceeded) are usually based on normal or average conditions. Under more favorable conditions greater expenditures might yield increased revenue to an extent that the net cost of the activity would be reduced. This, however, is not permitted beyond the limits of the budget appropriations, the added revenue is wholly or in part lost, and a desirable incentive for productive efficiency and business activity is denied. In other cases opportunities for helpful services or publications, which would be fully covered by added revenue, are forfeited.

The Commission recommends that this limitation be corrected. The remedy is not uniform. In some cases the flexibilities of a "materials and supplies" appropriation, which is recommended herein, would give necessary relief. In other cases, where additional services are involved, a contingent appropriation would probably be necessary. Recognizing the dangers of such appropriations, the Commission would surround those here recommended with very definite restrictions. No such appropriation should be drawn upon without approval of the head of the department in which the activity is located and of the budget commissioner, which approval should be given only upon a specific showing that the revenues of the activity would be increased by at least the amount of the proposed expenditure. If the extra expenditures and revenue were both within the same fiscal year, as would ordinarily be the case, the net cash requirements of the activity would be decreased rather than increased. In any event, there would be no loss.

The present budget, together with the general accounting system of the State is, in principle, upon a cash-basis. Section

IV of this report deals at length with accounting matters, and recommends that a modern system be substituted, differing fundamentally from the present system in that the accounting entries for a given fiscal period will represent the commitments of that period (services rendered and materials used) instead of the cash transactions.

The proposed accounting system will require a corresponding change in the budget so that it will cover appropriations for the service rendered and materials and supplies actually used during the fiscal year instead of the cash which may happen to go out from the treasury, some of which would be applicable to another fiscal period.

The revenue items in the budget should be changed in the same manner as the expenditure items above discussed, the revenues of a given year being represented by bills rendered rather than by bills paid.

The new system provides for a "supply" account, which will be charged with supplies purchased in large quantities or for extended use, and credited for each fiscal period with whatever is taken out for current use. As no such account is now in use, it will be necessary in the new budget to make supplementary appropriations for "increase in materials and supplies." In some years after the initial one, the supply account might be drawn down and the net budget requirements thereby reduced instead of increased. It may be found advisable, in working out the details of the new accounting system, to provide also a budget appropriation for materials and supplies for the general purchasing agent, recommended herein, so that quantity purchases, which he may make and not immediately allocate to specific activities, may be temporarily provided for.

The Commission sees no objections to changes in the budget system of the character above proposed, and accordingly recommends that they be put into effect coincident with the establishment of the new accounting system designed on a similar basis.

Attention is called to the fact that budget estimates are now necessarily made up before the end of the prior fiscal year and contain a statement of expenditures for that year, which, in part, is estimated. The appropriations for the following year

are judged in large measure from this mixed statement of facts and estimates. Furthermore, the budget appropriation bill for a given fiscal year is not passed until at least one third of that year has gone by, making it difficult for the departments to adjust themselves to any radical change in appropriations or policy. By ending the fiscal year on June 30, corresponding to Federal practice, the actual expenditures of the year would be available for budget studies, and the appropriation bill would be passed only a short time before the beginning of the new year to which it would apply. There may be objections to such a change which are not within the scope of the Commission's work, and so attention is called to the matter without definite recommendation.

SECTION III.

Under this section the Commission was instructed to determine —

Whether, having in view the entire programme of the state's undertakings, the needs of the state, and the cost and relative importance of each undertaking, there are any which it is advisable that the state should curtail or wholly give up.

ABANDONMENT OF ACTIVITIES.

The Commission is impressed with the need of a substantial reduction in the administrative expenditures of the State. The per capita annual cost of the State government is high as compared with other similar States. The latest available figures of this character are those compiled in 1919 by the United States Bureau of the Census. The Massachusetts figure for State-wide activities, applicable to the fiscal year ending Nov. 30, 1918, was \$8.06 as compared with \$5.42, the average of all forty-eight States. These figures are exclusive of capital expenditures, but include interest and amortization charges. Some of the special reasons for the high per capita cost in Massachusetts will be set forth in the later departmental discussions (Section IV).

After a careful study of the activities within the various administrative departments, the Commission has come to the

conclusion that a number of these activities can be abandoned or materially curtailed without serious detriment to the interests of the State. The activities in question, with the Commission's recommendation applying thereto, are set forth in the following paragraphs: —

Every ten years, midway between the Federal censuses, the Secretary of the Commonwealth is required to take a census of the inhabitants of the cities and towns, with particular reference to legal voters. Each such census involves an expenditure of approximately \$500,000, or an average of \$50,000 per year. Its real purpose is to fix the apportionment of representatives in the Legislature. The Commission sees no reason why all necessary data cannot be determined from lists of legal voters regularly compiled by the several cities and towns, and it therefore recommends the collecting of such lists by the Secretary in 1925, and at ten-year intervals thereafter as a basis of the apportionments then required. Such procedure would not be in full conformity with constitutional requirements, and the Commission accordingly recommends that immediate steps be taken to bring about the necessary constitutional amendment so that it may be effective in 1925.

The Adjutant-General's Department contains a Bureau of Military Intelligence, which served a useful purpose during the war, but is now engaged in so-called "Americanization" work, which duplicates work of this character done by the Department of Education. The latter department being the logical agency for handling such work, the Commission recommends that the activities of the Bureau of Military Intelligence be abolished except as to purely military affairs.

The Department of Education carries on so-called "Americanization" work in three separate divisions, handling, respectively, immigrant aid, adult alien education, and library facilities for aliens. This work has all been helpful during the recent war period in which it has been carried on, but it is the opinion of the Commission that the reception of immigrants and the necessary attention to their needs prior to their becoming established should be taken care of by the Federal government or by other agencies. The Commission therefore recommends that the Division of Immigration and Ameri-

canization, in charge of this work, be continued only until economic conditions have been restored to a reasonable degree of stability, or until other agencies can assume its functions.

The Commission understands that certain State appropriations now available for aid to veterans are expended under the supervision of the American Legion, and recommends that this practice be discontinued as being inconsistent with prescribed limitations upon State expenditures.

The Department of Labor and Industries contains a Bureau of Foreign and Domestic Commerce, which compiles statistics and publishes reports along such lines as its title implies. This department also takes an annual census of the manufacturing industries of the State, and publishes bulletins and reports containing voluminous statistics of industrial activities and labor conditions. It is the opinion of the Commission that the needs of the State for information of this character can be satisfactorily met in most cases by the census and other statistical publications of the Federal government. The abolishing or radical curtailment of these activities is therefore recommended.

The Department of Education conducts the so-called Nautical School for the training of merchant seamen and navigators. The net cost of this undertaking, after deducting a Federal grant of \$25,000, is approximately \$70,000 per annum. It would appear that the training of the necessary personnel for a merchant marine is logically a Federal or a private, rather than a State, function. In spite of the history and traditions of the Nautical School, the Commission feels that this annual expenditure of \$70,000 of State funds is unwise. The present time, with its need of economy and a minimum usefulness of the school, seems to offer more convincing reasons and opportunities for abandoning this activity than will again occur. The Commission therefore recommends that steps be taken to this end, or to effect a transfer of the school to Federal or other agencies.

CURTAILMENT OF ACTIVITIES.

In addition to the above list which covers abandonments of activities, the Commission makes the following suggestions for curtailment:—

The volume and cost of state printing have for some time been a matter deserving serious consideration. Noteworthy reductions in the numbers and scope of departmental reports have been made through the authority vested in the Supervisor of Administration, but further reduction should be made.

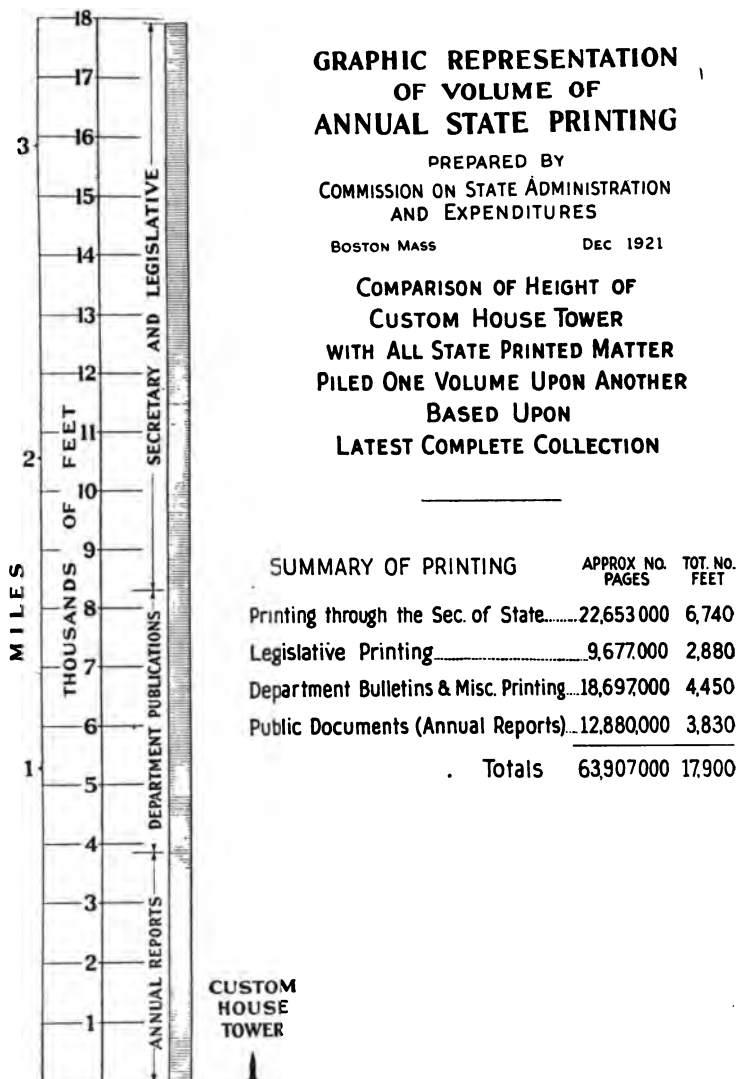
As an illustration of superfluous distribution of publications, the Commission calls attention to a copy of the latest annual report of one of the State hospitals, which has come into its possession. This report was mailed to a person who was formerly one of the trustees of this institution. He resigned from that position about twenty-five years ago, and had no subsequent connection with the institution. He died sixteen years ago. Copies of the annual report have been mailed each year since his resignation from the board.

It is the custom of business establishments that maintain mailing lists for distribution of advertising or other literature to issue periodical notices to all persons on such lists to the effect that their names will be removed unless a specific request is received for continuance of the mailing service. Such procedure is an obvious means of keeping printing and mailing costs within reasonable limits.

In its study of the State printing situation, the Commission has made a collection of State publications, with the size of each and number of copies printed during the past year. If these copies were stacked one upon another, the pile of this one year's issue would reach the astounding height of about three and one-half miles, or thirty-six times the height of the custom house tower. If placed end to end they would make a narrow foot-path from the State House in Boston to Trenton, N. J., or well into Canada on the north. The cost of these publications, together with stationery, printed forms, etc., is approximately three quarters of a million dollars per year. The Commission has been advised that by standardization and systematic handling alone, without curtailment of quantity, the cost could be reduced by about 25 per cent.

Inquiry regarding methods of distributing publications indicates that there is little system or effort toward economy in the distribution made through the departments. On the other hand, the public document room has recently developed an

admirable system for that part of the distribution for which it is responsible. The number of copies of documents ordered each year for the document room is carefully determined on the



basis of the previous year's actual issue. Back numbers are systematically reduced from year to year and sold. No documents are issued except upon request.

The Commission makes the following recommendations regarding State printing: —

1. That the distribution of departmental publications be removed from the departments and handled exclusively through the public document room. There should be no standing mailing lists for annual reports, although any recipient of a report might, by acknowledging its receipt and filing a request, receive the next succeeding issue.

2. That arrangements be made with postal authorities for mailing permits under which the handling of postage stamps in large numbers by State employees without adequate check would be avoided.

3. That promiscuous furnishing of public documents to casual visitors to the State House be discontinued. Deserving inquirers should be sent by the departments to the document room with written authorizations for publications. School children should bring written requests from teachers or parents.

4. That the number of distinct publications be reduced in accordance with the intent of section 8, Part I, chapter 350 of the General Acts of 1919, which provides that all reports required by law from any State agency be made by the head of the department within which such agency was thereafter to be located. Separate reports are still published by subsidiary agencies, containing much wholly worthless matter, or matter which is duplicated in the required reports of the departments.

5. That the matter included in annual and other reports of the departments be further systematically rearranged and condensed.

6. That all printed forms be standardized and an appropriate quality of paper be used therefor and for general printing.

7. That the Commissioner of Administration and Finance (proposed herein) undertake, through the organization recommended for such purposes, a thorough study of the printing situation as outlined in the above recommendations, and transmit his recommendations in detail to the Governor, for consideration and action by the Administrative Cabinet.

Section VIII of this report recommends that charges be determined and systematically applied for valuable State publications to persons not entitled to free distribution, to the end

that further curtailment may be effected or compensating revenue received.

The Commission has viewed with concern the workings and tendencies of a policy whereby the State agrees to reimburse a city or town, wholly or in part, for the cost of undertaking certain activities of a local nature. This policy undoubtedly tends to stimulate the undertaking of needed local improvements, but also tends to increase general taxation to the extent that the good accomplished may be far exceeded by the burden upon the State as a whole. The burden of taxation, created by constantly increasing activities, is placing Massachusetts citizens and industries at a distinct disadvantage, compared with similar industries carried on in other States.

The Commission is therefore of the opinion, and accordingly recommends, that further local activities should be financed by the cities and towns without State aid. However, this recommendation shall not be construed as being opposed to the present policy of State aid to certain activities conducted under the direction of the Departments of Education and Public Welfare.

In Section I of this report recommendations are made covering consolidations of certain departments and activities. If these recommendations are made effective, there will follow a substantial reduction in organizations necessary for carrying on the purchasing, engineering, construction, police, and miscellaneous clerical functions of the State, without, however, any necessary accompanying curtailment of the activities involved.

SECTION IV.

This section offers opportunity to the Commission to discuss —

- (a) Departmental and institutional business organization and management.
- (b) The method of handling and auditing departmental, institutional, and other accounts of the Commonwealth.

DEPARTMENTAL COMMENTS.

The alphabetically arranged departmental comments contained herein will in general be limited to the activities of the departments as now organized, with certain suggestions looking

to the transfer of incidental functions from one department to another in which they would be more logically located. Further suggestions with reference to more extensive reorganizations of the existing departments have already been made in Section I. This discussion covers not only the administrative departments but certain of the so-called "executive" departments whose activities are largely administrative in character.

It may appear that some of the interdepartmental transfers and readjustments recommended are unimportant as compared with other matters not fully discussed, but the Commission has been influenced in its studies by the fact that any needed reorganization and refinement of intradepartmental activities are matters for which department heads are properly responsible; but interdepartmental relations and reorganizations are beyond the scope of department heads, and should therefore be given more extensive attention herein.

ORGANIZATION AND MANAGEMENT.

Adjutant-General.

This department has charge of the military affairs of the Commonwealth, including its units of the National Guard organization. The Commission has not studied the military activities of the department; but in view of the unsettled status of the National Guard and the confusion existing between State and Federal governments with respect thereto, it recommends that the military affairs committee of the General Court give the matter careful attention.

It is recommended in the preceding section that the Military Intelligence Bureau of this department be abolished except for purely military functions.

Agriculture.

This department is charged with the development of the agricultural resources of the State. Its activities do not require special comment other than that certain minor ones might more effectively be administered by other departments. It is accordingly recommended that certain food inspections, including milk, butter, and other dairy products, be transferred from this

department to that of Public Health, which has other extensive similar duties.

This department also conducts certain extension courses for education of farmers in agricultural matters. It appears that the Department of Education could properly add such courses to its extension work, to be administered with the assistance of the Agricultural College. The basis of such transfer is the principle that in general the Department of Agriculture should do administrative work, leaving educational activities to the Department of Education.

Auditor.

This department now has the responsibility of prescribing and handling the general accounting work of the State departments, but does not do real auditing in a thorough and complete manner. The second part of this section deals with the general subject of accounting, and recommends that all book-keeping be done in another department. It is here sufficient to say that the auditing functions of this department, which it is not proposed to disturb, should be extended to include all departments and institutions, the accounting records of which should be accessible at all reasonable times. Work of the above character would not require the keeping of any books of account, and could be covered in a very brief annual report, in place of the present voluminous but not enlightening one.

Banking and Insurance.

This department, engaged in supervision of corporate activities, consists of three major divisions, Banking, Insurance, and Savings Bank Life Insurance. It has already been pointed out that these divisions are practically distinct, and that the department has no responsible head.

With reference to the Division of Banking, it appears that the work under its jurisdiction has so increased during recent years as to justify the appointment of a deputy commissioner. We believe that this added official would assist in more prompt and efficient functioning of the organization.

In its studies of the existing methods of supervision of fire insurance companies, the Commission has become impressed with

the desirability of more extensive regulation of the activities and methods of these companies. It is therefore recommended that a deputy commissioner or otherwise entitled assistant be appointed or assigned to make a thorough investigation of the practices of all fire insurance companies doing business within the Commonwealth, with particular reference to methods of fixing rates and classification of risks, and with power to require the presence and testimony of witnesses and the production of books and records. This deputy commissioner should be authorized to employ the assistants necessary for carrying on this investigation, and to prepare a report of findings to be submitted to the General Court in 1923.

In furtherance of the proposed study of insurance rates and classification of risks, it is suggested that a representative of this department be delegated to attend meetings of the association of fire insurance companies at which such matters are considered.

It is recommended in Section VIII of this report that the fees charged for examinations of banks, insurance companies, and other corporate activities supervised by this department be increased to cover the cost of the service.

Corporations and Taxation.

This department, in charge of one commissioner, has two divisions, Corporations and Taxation, respectively.

The income tax activities of the latter division are located in offices outside the State House, on which a substantial rental is paid. The separation of this division from the rest of the department involves a larger clerical organization than would otherwise be necessary for carrying on its work. It is recommended that space be found in the State House for this division. The saving in rental and clerical services from such a move would amount to about \$70,000 annually.

The Tax Division should assess and collect all taxes, including the collateral legacy tax now administered by the Treasurer, and should employ all reasonable means of collecting amounts due before calling in the Attorney-General for legal proceedings.

A further substantial saving in clerical cost, estimated at

from \$25,000 to \$40,000 per year, would be effected by requiring advance payment of income taxes in connection with the returns now filed early in the year. This would save a second handling of the returns, after the original filing, for the purpose of rendering bills, and a third handling in October, when the bills are now paid. The Income Tax Division advises that comparatively few original returns are in error, so that the adjustments required on account of incorrect payments of income tax would be unimportant.

As opposed to the advance payment of these taxes is the argument that the taxpayers would lose the use of their money for more than six months, the average return on this money while in their hands being presumably greater than that which the State would save through relief from present temporary borrowings, or would earn from investment of any surplus funds received. Since the income taxes are assessed for the benefit of the cities and towns, and are distributed to them after deducting administrative costs, the saving from advance collection would ultimately accrue to the cities and towns rather than to the Commonwealth. After consideration of the matter, the Commission recommends that income taxes be paid at the time of filing returns instead of in arrears, as at present.

This department also includes a Division of Accounts, which has developed standard accounting systems for cities and towns of the State, which systems are put into effect by this division upon application. The importance of uniformity of municipal accounting in permitting intelligent comparisons of administrative costs is such that the Commission recommends the uniform adoption of the standard system throughout the State, and to this end proposes that the cities act upon the matter through their governing bodies during 1922, and that all towns include it in their warrants during 1923.

The director of this division should also be empowered to prepare and publish a book of instructions covering the standard system of municipal accounting now in effect, with such modifications as may be found desirable for consistency with the new system of State accounting proposed herein. Such instructions would facilitate the introduction of the standard system and reduce the required supervision.

The Commission recommends that the accounts of the Income Tax Division, which are not now examined by the Auditor's Department, be subject to its audits in the future.

Civil Service and Registration.

This department contains two distinct divisions, which have no definite relations with each other.

The Civil Service Division is discussed at considerable length in Section VI of this report, and recommendations for important changes in its functioning are made. Briefly, these changes include a curtailment of the exemption list, the creation of a class of duties for which competitive examinations will not be required but otherwise included in the classified service, and the substitution of a Board of Review having final responsibility over contested cases of discharge of employees.

It is also recommended elsewhere that moderate fees be charged for examinations, for the partial support of the division. The Commission has been unable to obtain from this division any definite information regarding the cost per applicant of preparing and conducting examinations, but it has gained the impression that this cost is excessive, and recommends that this department be called upon to analyze its activities, with a view to possible greater efficiency.

The Commission, charged as it is with the duty of bringing forward any suggestion that would tend to improve the administration of State affairs, has considered the matter of the preference now accorded by law to veterans applying for State employment.

The majority of the Commission is of the opinion that, viewed solely from the standpoint of securing the best qualified applicant for a State position, the preference law is undoubtedly detrimental. The minority of the Commission is of the opinion that the law has not proved detrimental in this respect.

This, however, is not the only standpoint from which the preference law should be viewed. It is, in its essence, a recognition by the State of services rendered in times of national stress and a measure of reward for such services. It is a question of State policy whether this is a proper method of recog-

nizing and rewarding these services, and on this question the Commission as such expresses no opinion.

The Division of Registration carries on a wide range of activities, but does not handle all the registration work provided for by the statutes. Most of the licensing activities now carried on in other departments should be transferred to the Division of Registration, including the following: engineers, firemen, hoisting engineers, elevator operators, and plumbers.

In Section VIII of this report it is recommended that registration fees be standardized to avoid a considerable number of existing inconsistencies, and that increases be made where practicable to place the registration activities upon a self-supporting basis.

The Commission believes that it should be possible to simplify the registration organization through a combination of its administrative and clerical forces so that the cost of examinations would be reduced. The recommendation of the Commission is that the registration boards be brought together, so that a joint clerical organization may handle their combined work instead of having independent clerical staffs and office space, as is, in part, the case at present. The routine functioning of the organization, aside from actual examination of applicants, should be in the hands of an executive secretary.

There is at present some inconsistency in the amount and method of compensation of the members of the registration boards. The Commission recommends that the commissioner in charge of this division be called upon to report a revised plan of organization and of compensation for registration supervision.

Conservation.

This department carries on activities which are in many respects closely related to the Department of Agriculture, and a more intimate relation between the two departments is recommended in Section I.

The transfer to this department of responsibility for the so-called "province" lands from the Department of Public Works is recommended; also that all pest control activities now carried on by several departments, except the metropolitan district, be concentrated in this department.

Corrections.

As the result of its surveys of this department, the Commission has reached the conclusion that it has under its supervision too many separate institutions, none of which is fully occupied. The State Prison at Charlestown is obsolete, and there appears to be no question but that it should be abandoned as soon as it is practicable to do so. The property on which this prison is located has a value for other purposes which has been estimated between \$750,000 and \$1,000,000.

As to the disposition of the Charlestown prisoners, it is the opinion of the Commission that they should be transferred to Bridgewater. The facilities at this point could be made suitable for the safe confinement and proper housing of the prisoners by comparatively simple alterations in the buildings and the erection of a custodial wall. It is estimated that this work should cost not exceeding \$400,000. The custodial wall should include, not only the buildings now to be used for prison purposes, but also sufficient space for future new buildings. Under this plan, consolidation of prisons could be effected at a cost (including the custodial wall) less than the estimated sale value of the Charlestown property; and if at a later date new and more modern prison facilities should be needed, they could be provided without material loss on account of the work now done. It is estimated that the annual saving in prison operation from the proposed consolidation would be not less than \$150,000. To this amount should be added the substantial reduction in commissary expense which would result from the further cultivation by prisoners of the fertile but now undeveloped land owned by the State in connection with the Bridgewater plant.

The Prison Camp and Hospital at West Rutland is an expensive institution to maintain, due to its small population, but it serves a useful purpose and is well managed. It is probable that a substantial saving in operating cost would result if a small separate hospital for the care of these tubercular prisoners were built within the proposed custodial wall at Bridgewater, but the Commission makes no recommendation with respect to such transfer.

In brief, the Commission's recommendations with reference to correction institutions are as follows:—

1. That the construction of a new State Prison or the acquisition of the plant at Deer Island for remodeling into a State Prison not be undertaken at this time.

2. That the State Prison at Charlestown be abandoned and sold at the earliest possible date, and that the prisoners be removed to Bridgewater.

3. That for the present the only modifications in the Bridgewater plant be the addition of a custodial wall, the renovation of existing buildings, with slight changes to isolate the new prisoners from the present inmates, and the addition of some shop space if necessary. No present buildings should be destroyed.

Education.

This department conducts a wide range of activities, including supervision of the Agricultural College, ten normal schools, three textile schools, the Nautical School, university extension courses, continuation courses, adult alien education, and immigrant aid. The following comments apply to these various activities:—

The Agricultural College, in addition to its courses which have a direct bearing upon agricultural pursuits, offers a considerable number of courses in literature, modern languages, music, etc., which appear to be somewhat outside the proper scope of an institution of this character. The Commission is not able to make specific recommendations with respect to this matter, but recommends that the Commissioner of Education be called upon to make a report to the Governor upon the character of the instruction in question, the extent of its patronage, the fields of activity which the graduates enter, and other pertinent matters, all with a view to possible curtailment of such instruction to keep it within proper limits for an agricultural college.

A study of the normal schools shows that there is a wide range of attendance and per capita cost of operating the schools. The smaller institutions, such as Hyannis and North Adams, show a per capita cost very much higher than the larger schools. If the normal instruction could be concentrated into a smaller number of schools, with a per capita cost not ex-

ceeding that of the largest and most economically operated present school, the total annual cost of operating the group of schools would be reduced by more than \$200,000. As against such consolidation, however, it is contended that a less convenient geographical distribution would curtail the number of students in the schools, and that in some cases students would not return to teach in the outlying sections from which they come. The Commission makes no definite recommendation with respect to reorganization of the normal school system, but is convinced that the possibilities of saving from such reorganization justify a further careful study.

Elsewhere in this report (Section III) will be found recommendations for curtailment or abandonment of some of the other activities of this department, including the Nautical School and immigrant aids.

Public Health.

The activities of this department include two fairly distinct groups, viz.: (1) the conduct of certain sanatoria; and (2) other miscellaneous professional, educational, and administrative work concerned with food, general public health, and engineering of water supplies, sewerage systems, etc.

The Commission's examination of the sanatoria shows a much higher service personnel per patient than in other institutions, which, in part at least, seems to be unnecessary. Elsewhere in this report (Section I) the Commission recommends a business organization available to supervise the operation of these institutions by combining them with other institutions in a new Welfare Department.

The fees charged by this department for sanatoria patients are wholly inadequate to cover the cost, and collections of fees due from patients are not systematically followed up. The Commission recommends in Section VIII that higher fees be charged.

The sanitary inspection staff of this department has apparently not been as thorough in its examination of the condition of State institutions as in the case of private property. This condition should not continue.

This department has an Engineering Division of high standing for consultation and designing in connection with water supplies and sewage disposal. The statute authorizes this division to initiate studies of the future needs of cities and towns with respect to sewerage systems, so that necessary future developments will not be unduly delayed. Similar provisions with reference to water systems are not embodied in the statutes, although they are of greater importance. It is recommended that this department be authorized by law to act as a consulting agency of all cities, towns and districts within the State with respect to both sewer and water systems, with the right to initiate studies which appear to be in the public interest. Such general provisions would bring the metropolitan district activities of this character, like those of the balance of the State, within the scope of the Health Department's engineering service; and the Commission is of the opinion that this is desirable, leaving to the Metropolitan District Commission responsibility for the construction of the new systems and their operation when completed.

Industrial Accidents.

The work of this department is confined to the administration of the workmen's compensation act, and its conduct of this work has met with the approval of all interested parties.

The Commission's examination of this department led to the impression of a complicated system of records and a correspondingly liberal clerical organization. The publications of the department also appear to contain unnecessarily voluminous details of the cases handled.

In Section I of this report the Commission recommends the inclusion of this department in the proposed new Department of Labor and Industries without changing its present functions.

Labor and Industries.

The duties of this department include the adjustment of labor controversies, the recommending of minimum wages for certain industries, and investigations of industrial conditions. Its activities also include the compilation of extensive data and statistics bearing upon commerce and manufactures, which the

Commission, in Section III, recommends be abolished or largely curtailed.

Several activities conducted by other departments are closely allied with the work of this department, and might more efficiently be carried on in connection therewith. The following transfers to this department are accordingly recommended: smoke inspection from Public Utilities; building inspection from Public Safety; elevator regulations from Public Safety; boiler inspection from Public Safety.

The purpose of these transfers is to concentrate so far as possible inspection activities involved in building construction into one department, where the inspection service can be simplified. This department, for example, can undertake the smoke inspection now carried on by the Public Utilities Department without any increase in its own personnel.

Mental Diseases.

This department spends a much larger amount of money than any other State department. The amount of money collected for the support of inmates in its institutions is, however, comparatively small, and the Commission is of the opinion that a larger organization for the collection of fees, particularly through recurrent investigation of the financial standing of relatives, would result in a substantial increase in revenues. Further suggestions looking to increased revenue will be found in Section VIII.

The appalling extent of mental deficiency within the Commonwealth and the enormous sums of money expended for the care of patients suggest the need of careful study of preventive measures. Such studies have been made in the past, and indicate that the root of the problem is prevention, and that early treatment will keep many prospective patients out of the institutions. It is hoped that further increase in mental disorders has been checked by the work already done. It is, however, by no means certain that all reasonable efforts looking to curtailment of existing deficiencies and prevention of further developments by education, isolation, and otherwise have been taken. A further careful study of preventive measures is recommended.

Metropolitan District.

The metropolitan district activities include the administration of parks and the water and sewerage systems serving the metropolitan area. It has been a serious question with the Commission whether the functions and activities of the Metropolitan District Commission are not becoming State problems. The Commission is clearly of the opinion that the problems of routes of travel, of the character of roadways, and of the location, width, and strength of bridges should be studied and determined with reference to the needs of the State as a whole. It therefore recommends that the laying out, construction and maintenance of improved highways and of bridges be placed under the Department of Public Works.

The question of whether the metropolitan district police should be transferred to the Department of Public Safety was raised in the Commission, and decided in the negative by a divided vote. The minority felt that the metropolitan district police should properly be considered in the same category with the State police and the State constabulary, and placed under one control, namely, the Department of Public Safety.

The Commission is not prepared to recommend at this time that other important functions of the Metropolitan District Commission be allocated to other departments. It does, however, recommend that minor functions, such as laboratory work, forestation, and engineering problems of water and sewerage, be handled through other existing State agencies.

The Commission recommends that the offices of this department, now in two separate office buildings, be combined and condensed, thereby effecting a substantial saving in rental.

It further recommends, in the interests of more efficient administration, that the Metropolitan District Commission be re-organized with one commissioner and two associate commissioners, one to be a director of parks, one a director of water works, and one a director of sewers, the commissioner to be the responsible administrative head of the commission.

Public Utilities.

This department is primarily engaged in the supervision and regulation of public service companies. A recommendation that smoke inspection, a function foreign to this department, be transferred to Labor and Industries, has been made elsewhere.

The Commission has also recommended that the cost of supervision of public utilities be assessed against these utilities in all cases, to prevent discrimination which now exists.

Public Welfare.

This department conducts two distinct classes of activities, — institutional and general aid and relief.

Among the institutions under this department one, namely, the State Infirmary at Tewksbury, has a heterogeneous collection of inmates and general conditions attending it which need early correction. By transferring this department to a larger new department of the same name, it is proposed to make available to these institutions the business supervision referred to in Section I.

Attention is also called to the large amounts of State money disbursed by the Division of Aid and Relief through city and town agencies without adequate State supervision. The Commission has not formulated any definite plan for correcting any abuses which may arise in this connection, but recommends that the matter be given further attention.

The laws of Massachusetts provide for a five-year residence in a particular locality before "settlement" is recognized. The care of certain settled cases falls upon the cities and towns, but unsettled cases are supported by the State. In many cases it is very difficult to solve the question of settlement because of the five-year period. Most other States have adopted a much shorter period, usually one or two years. It is recommended that the matter of a similar change in Massachusetts be given attention, to the end that the solution of settlement problems be simplified and the responsibility for support placed where it belongs.

Public Works.

The highway and other construction work of this department is carried on in an efficient manner and with due regard for future needs. The Commission has elsewhere recommended that the metropolitan district highway and bridge construction and maintenance work be transferred to this department to secure the advantage of its efficient methods.

It is also recommended that the care of the "province" lands be removed from this department to Conservation.

Safety.

It is proposed to transfer from this department the following incidental activities: boiler, building, and elevator inspections to Labor and Industries.

It is recommended also, in Section VIII, that the fees of certain remaining activities be increased.

Secretary of State.

Aside from supervision over State elections, the functions of this department are largely of a routine nature. In Section III it is recommended that the decennial census be abolished, that the Ballot Law Commission be attached to this department instead of remaining a separate executive function, and that certain fees charged by this department be increased. The establishment of a central purchasing agency, elsewhere recommended, would remove from this department the duty of purchasing paper for printing and general use.

This department contains the archives in which the State's valuable papers and documents are preserved. The State Library, now classed as an executive division, also contains many valuable State records. There appears to be no wholly distinct division between the archives and the library, and search is sometimes necessary in both for a desired document. It is recommended that the State Library be placed under the supervision of the Secretary of State, so that the resources of both may be more conveniently accessible.

Superintendent of Buildings.

This executive agency has charge of the State House building, the assignment of space therein to the various departments, and the purchase and distribution of supplies for the occupants.

The condition of certain public, but not prominent, parts of the State House are not fully up to standard, due to storage of miscellaneous materials, which introduces an undesirable fire risk. No fire-alarm boxes are to be found in or immediately accessible to the building. The fuel used in the heating plant is of an unnecessarily expensive quality.

The Commission has elsewhere in this section recommended that certain activities now housed in Boston office buildings be brought into the State House. This could be accomplished without removing other activities if a careful and consistent assignment of space was made to all departments.

Section I of this report recommends the transfer of the care of the State House, space assignment therein, and purchasing and storeroom functions to the Department of Administration and Finance.

While the post office in the State House is not under the supervision of the Superintendent of Buildings, the Commission takes this opportunity to point out that the distribution of the morning mail is not made sufficiently early to facilitate the work of the departments. The lost time of clerks waiting at the post-office windows, and the more important loss to the balance of the clerical and administrative organization in the State House from delay in mail distribution, involve a material amount of money.

Supervisor of Administration.

The duties of this executive agency are to prepare budget data for the Governor and Legislature, to supervise and standardize salaries, to supervise the printing work of the State, and other incidental activities. The Commission is of the opinion that there is room for a substantial enlargement of functions of this character, and recommends in Section I a re-organization which will accomplish this purpose.

Treasurer.

The Treasurer and Receiver-General now not only acts as the custodian of the State funds, but carries on extensive accounting work which logically belongs elsewhere. He also assesses and collects collateral legacy taxes, which function should be transferred to the Commissioner of Taxation.

The disposition of the accounting work of this department (of which it should be relieved) is discussed in the second part of this section.

ACCOUNTING METHODS.

Because of the fundamental importance of proper and adequate accounting records in the administration of any business, the Commission has made a careful study of the system now used by the Commonwealth to record its financial activities. This system is an evolution from the practice in the early days when the State's business was comparatively simple. It is wholly inadequate to provide for the more complex requirements of the present vastly increased activities.

One of the vital objections to the present system is that it is based, in theory, upon cash receipts and expenditures. In practice, the cash basis is not strictly followed, particularly at the end of the fiscal year, resulting in a confusing, unsystematic and misleading mixture of ancient and modern methods.

One of the fundamental purposes of accounting records is to set forth the cost of conducting an activity during any fiscal period so that the efficiency of operations may be clearly shown to responsible executives. This purpose is not accomplished by a cash statement, as will be seen by an illustration from the latest published reports of one of the hospitals. This report shows monthly costs of caring for patients, varying between \$16.90 and \$46.10 per patient. There was, of course, no such variation in actual cost of current operations, and the figures are wholly misleading. Similar conditions exist throughout the entire accounting system. It is impossible to determine from the Auditor's voluminous reports the total annual expenditures of the State without an exhaustive analysis of several apparently conflicting summary statements.

The distribution of accounting functions between different departments is also wholly unsystematic. Certain records initiated by the Treasurer are duplicated by the Auditor. The Auditor also duplicates certain budget activities of the Supervisor of Administration. On the other hand, the actual auditing work done by the Auditor is superficial and incomplete. Audits are made at intervals of one to three years, and the time spent is not sufficient to insure thorough work.

Defects in the present system of accounts and audits will not be considered in further detail because it is obvious that the whole system should be abandoned at the earliest possible moment, and be replaced by a standard system adapted to present and future requirements and administered along different organization lines. The fundamentals of the new system which the Commission recommends will first be considered, then the organization necessary to administer it in a most efficient manner.

System.

It is of vital importance that administrative officials have accurate records of the current costs of carrying on their activities. This requires a statement of "expenses" as distinct from "expenditures," the former being the commitments for the period in question for services rendered and materials and supplies actually used, whether or not paid for within that period. This is the system now universally used for accurate and adequate accounting. Expense accounts should be set up under this system in such detail for different departments, divisions, and institutions, or other specific activities, as will clearly show any significant departure from normal or budgetary standards. In order that statements of current operating expenses may not be distorted by abnormal charges, the new system should provide distinct accounting for extraordinary repairs or replacements and expenditures made for additions to property or equipment.

Accompanying this form of expense accounting should be a similar set of revenue accounts based upon bills rendered rather than cash collections. If any bills become uncollectable, they should be an expense charge against the collecting agency.

A condensed cash account would also be required, showing only the general sources of receipts and general character of disbursements.

Essential to the functioning of the proposed system is a "materials and supplies" account, to which would be charged, when purchased, articles not wholly needed for current consumption. These articles would be credited to the supply account, and charged to expenses when taken out for actual use. Other necessary balance sheet accounts would include accounts payable and receivable, agency accounts, sinking funds, reserve accounts, and miscellaneous items. Through such accounts there should be set up in the annual report of the Comptroller an accurate and carefully computed statement showing any balance in the treasury which is subject to appropriation by the incoming Legislature, or any deficiencies which must be met by appropriation. It is practically impossible to determine these facts from the present system of accounting.

The balance sheet of a business corporation would also include a property account, made up of the revenue-producing fixed assets, and a corresponding liability account including outstanding securities. Such items cannot be included in the proposed State accounting system at the present time because records of the cost of property acquired many years ago are not available readily, if at all.

It will serve the practical purposes of the new system if, in the initial balance sheet which may be set up, the amount of the item on the debit side which represents State-owned property is an arbitrary sum equal to the amount of permanent State indebtedness outstanding on account of such property, and is accompanied by a notation showing that fact. Subsequent charges to "State-owned property" should be in accordance with a standard system of accounts, and should be charged only upon written order issued by the Commission of Administration and Finance, upon a majority vote of the full commission, and all reductions on account of depreciation or otherwise should be made only after similar vote and order.

The above provisions with respect to changes in the property item furnish a check, customary in all modern practice, against any improper charges or credits. It would be desirable to

assemble in one complete statement, and maintain in some convenient form, an accurate inventory of all surviving State property, such as is now required by law from certain departments, with its actual original cost and the source of the funds involved therein, whether from bond issues or taxation. This would safeguard movable property against loss, and afford a basis of suitable provisions for upkeep and replacement of all depreciable property. The absence of such records, however, will not affect the preparation of necessary balance sheets or the functioning of other features of the proposed system.

This report does not undertake to work out the details of the new system of accounts which it recommends for adoption by the State. The designing of the complete new system and the preparation and publication of a comprehensive instruction book relating thereto will require months of labor and research. It is recommended that the new accounting officer herein proposed be appointed promptly, and that he be assigned the initial duty of taking charge of the design and installation of the new system. There should be made available to him the services of trained accountants now serving various State departments, and he should further be empowered to employ such expert assistance as may be necessary to insure the development of accounting standards which will meet, not only present needs, but also, with minor modifications, will take care of future developments. The Commission has had prepared for its information a comprehensive report on the present and proposed accounting systems, including suggested forms of new standard accounting and other details which may be of interest to the new accounting organization when assembled. A copy of this report will be filed in the State Library.

Organization.

The Commission is clearly of the opinion that the Auditor (or any other accounting agency) should not do both auditing and accounting. The Auditor should be relieved of all accounting duties, and should keep no books or records other than reports of the auditing work of his staff. All departments and activities should be audited annually with care, including the

Income Tax Division, which has never been examined by the Auditor.

The new auditing staff should preferably have two divisions, of receipts and disbursements, respectively. The former division should contain men qualified, not only to check actual receipts, but also to study other possible sources of revenue. The duties of the latter division are of a more routine character.

The Treasurer should be relieved of accounting duties other than those connected with the cash which he handles. He should retain the custody of all trust funds now in his possession, and be primarily responsible for their wise investment. Because of the large sums now in the sinking and other trust funds requiring investment and reinvestment from time to time, the Treasurer should have available, for assistance in such transactions, a group of administrative officials acquainted with such matters, including the Commissioner of Administration and Finance, the Comptroller, the Commissioner of Corporate Activities, the Associate Commissioner of Corporations and Taxation, and the Auditor. The written approval of at least two of these advisers should be secured in each case of investment or reinvestment of substantial amounts.

It is recommended that a new bureau be created in charge of a Comptroller, to handle the accounting work of the State. He should first design and install the new system, prescribing all forms and books of account to be used by the several departments, and no other forms or books should thereafter be used without his specific approval. From time to time as may be expedient he should revise such forms or books, or the accounting system under which they are used. He should approve all vouchers, pay rolls, and other documents calling for expenditure of State money, check them against budget appropriations for consistency therewith, and forward them to the Governor and Council for the issue of warrants on the Treasurer. He should be in possession of all contracts, salary lists, and standards, and other data pertinent to such functions.

The Comptroller should keep all general books of account, and determine the extent and character of subsidiary accounts kept by his office and by the several departments. He should be equipped promptly to furnish all accounting statements re-

lating to financial status, funds, reserves, appropriation control, and cost of operation, not only at the close of the fiscal year, but at all intermediate monthly periods when such information is needed in effecting economies before appropriations have been exhausted, or for other purposes.

The Comptroller's annual report should contain in logical sequence all essential data relating to the financial history of the State. Annual reports of other departments and institutions may include pertinent financial data in detail, but in accordance with the standard system of accounts, and in full agreement with summary statements in the Comptroller's annual report. The Comptroller should verify all accounting statements of other departments before their publication.

The Budget Commissioner should perform the duties of this character now lodged in the Supervisor's Department, having available the records and resources of the Comptroller's office and its full co-operation.

The relations of the various officers and accounting agencies, herein considered, to each other and to other activities are set forth in Section I of this report, dealing with departmental reorganization.

SECTION V.

Under this heading are included suggestions as to —

Ways and means whereby comprehensive plans may be made in advance concerning the needs of the several departments for a series of years. . . .

CONSTRUCTION FORECASTS.

The advantages of such a program are beyond question. Capital expenditures of a department or of the State as a whole in any particular year should be influenced by the extent of necessary expenditures in future years and the probable business conditions in those years. A considerable proportion of the State's construction work, particularly highways, can be done when conditions are favorable, which is generally during periods of industrial depression, with low costs of material and plentiful labor.

Aside from such considerations, if the State is to adhere to a pay-as-you-go policy, stable taxes can best be maintained

without bond issues, through careful study of suggested construction needs of all departments for a considerable term of years, and adjustment of the totals from year to year to such uniformity as may be desirable. Furthermore, a long-range program of development may disclose unwise tendencies or policies not clearly evidenced in any single annual budget.

The recommendations of the Commission do not include any detailed studies of the future needs of the several departments or of the way in which they should be distributed and financed, but are limited to a system of forecasts under which each year the various departments responsible for any considerable amount of physical property would submit estimates of probable annual construction expenditures for a period of not less than five years. For highways, water or sewer systems, and institutional activities, the period might be considerably longer, at least with respect to specific major developments.

The recommended forecasts should be submitted by the departments with their annual budget estimates, and should be subject to the same consideration as the budget items up to and including the ways and means committee. Each year items in prior forecasts would require some modification, in the light of new developments and of changes made in the current part of the program by appropriation acts.

In addition to the usual budget classification by items, the forecasts should embody a further classification on the basis of importance or necessity for the time being of the proposed work. It is suggested that three classes of construction items be provided for each year, to be called "necessary," "desirable," and "contingent," respectively. The first class would include parts of a fixed, continuing program or other unavoidable needs; the second class would include items advantageously provided for at that time, but which might be postponed or possibly advanced; the third class would include work dependent upon some other developments which cannot be definitely predetermined, such as population or traffic increases, and the results of sociological or health researches. A "desirable" piece of work for a certain year might be postponed and become, in the following year, a "necessary" item of the then revised forecast. A "contingent" item of a certain future

Forecasts of this character are in common use, and are helpful in determining financial policies. They would be similarly helpful in spite of the numerous changes which would come from year to year in unmaturing projects.


For departments which have no technical activities, some assistance would be required to make estimates. Some other State department, such as Works or Administration and Finance, should be designated to furnish approximate data of this kind. It is not probable that definite plans and specifications will be either practicable or desirable for other than the necessary work.

SECTION VI.

PERSONNEL MATTERS.

This section deals with the personnel problems of the departments, the number of positions, class of positions and other matters bearing upon efficient service.

The Commission has not undertaken to make a detailed study of the exact duties performed by the employees in the various offices to determine whether or not the number of employees therein are closely and efficiently related to the work. In some of its general observations of the work of the departments it has gained the impression of an excessive organization. In other cases very compact organization has been apparent. Because varying degrees of excess have some relation to seasonal character of the work, the Commission does not feel justified in making recommendations based upon its general observations. Regarding the underlying principles of the existing system might justify the inference that, if la



As a man qualified for a job, sees that he gets it, he leaves him a fixture, regardless of capacity for promotion or possible better qualifications for another occupation. Under such conditions an employee has no ambition, or secures another job in private business opportunities for advancement. In either event the system fails.

The system should be expanded to keep continuous appointments, with their successful characteristics and weaknesses, thereby determining the best position for each. Advancement should be made on the basis of service certificate upon the employee's record and not on regard for departmental boundaries. The present system would go far in bringing about better efficiency in government work. This system is in use in private business, where large sums are paid for personnel activities. It is recommended that the Commission be given appropriations sufficient to include such activities which are authorized by law.


With assurances of a working organization of the responsibilities for its efficient administration upon the heads of the several departments, the responsibilities are continuous, and cannot be replaced by investigations. Because continuous attention is given in some cases, the Commission, in the studies of its own, recommends that a careful study be made of the personnel resources and needs of each department by its administrative head, with a view to economy and economies. It will be found that the departments have the requirements for clerical force to a considerable extent at different periods. It is recommended that the Commission be authorized to employ a permanent clerical force to

ments would take care of their temporary analysis of the fixed and temporary service departments would show the extent to which e transferred from one department to another w in the clearing house, and it would seem desir permanent forces by at least the amount whi care of by such transfers. The administrati recently made in at least one other State (i vided for a transferable clerical force of this

The results of the studies here proposed sho detail to the Governor, who might properly partment of Administration and Finance to a make such further recommendations and i action as the conditions might warrant.

The Commission finds that regular emplo House have a one-month vacation each y granted, if sickness requires, an additional a month with pay. The latter privilege is su abuse, particularly during inactive periods. i sences with pay are more liberal than could where. They require a larger pay roll either c the laxity which they encourage, and they similar tendencies in the various political s State. The Commission is of the opinion t sick leaves should be adjusted to agree with practice. It holds the same opinion regardi service, which are now slightly less than gener

The Commission is in accord with the g salary standardization now in effect and ad Supervisor's office. It has, however, listene to certain protests which have been made ag comprehensive applications of this system.



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The Commission has not made a careful study of the
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salaries, as well as wages, than in earlier y
essary statutory limitations may prevent the
specially qualified person at a particular ti
d and available.

CHANGES IN CIVIL SERVICE REGULATIONS.

The general level of salaries for positions in
departments, the Commission finds that in the
positions, at least, the prevailing compensati
obtainable in private employment for simi
ause of this, and, further, because these pos
n tenure, they do not as a rule attract m
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e of service.

ains under this section a further consid

1. CIVIL SERVICE LISTS DO NOT IN SOME INSTAN-
factory persons, particularly for positions
training and experience, or where particular
tions are to exist. It is apparently for this re-
exemptions have been provided by law.

2. In the case of provisional appointments
service list is available, the provisional appointee
take a competitive examination after six months
if not at the head of the list, cannot retain his
from experience therein or otherwise he is in-
factory. Such conditions make it difficult to
persons to accept provisional appointments.
quired to train such appointees may be was

3. The provision permitting a discharged employ-
hearing before the official who makes the
further appeal to the courts if necessary, does
the enforcement of discipline with unruly employ-
who are not faithful and diligent. Hearing
naturally dislike the publicity and annoyance of a
trial in court, and the employees are fully aware

4. The preference given to veterans, by way of
an examination, they are placed at the head of the
operates to some extent to prevent desirable persons
seeking employment under civil service.

5. The exemptions from the provisions of civil
law provided by statute are illogical and inconsistent.
resulted in some instances in the placing of
untrained persons in important positions.

Because of the obvious merit of most of the
the importance of the subject, the Commission
to formulate, and here recommends, a plan
in partial remedy. This plan is intended to
ministerial departments of the State, and



Commissioners or otherwise entitled heads of department
and deputy commissioners or otherwise entitled
es.

ers or otherwise entitled heads of administrative di
ers of quasi-judicial boards.

ers of advisory boards.

ers of boards of appeal and parole.

Constabulary (now under two-year enlistment ar

for the exemptions above designated, at
ing the administrative departments and affe
departments in charge of —

Director of Administration.

Comptroller of Buildings.

Director of the State Library.

Commissioner of State Aid and Pensions.

the requirements of a competitive exam
(other general civil service regulations) in
positions to be employed for certain special pur
on special conditions, upon certification to
Commission by the Governor, with the advice
Council, that such waiver is in the public
character of duties and the special conditior
certification might be issued by the Gove
to exact definition, and should not be so
to create, in effect, a class of positions free fr
elimination. On the contrary, each case sh
on its own merits, but in the light of some
of duties and conditions which might ju
to the Governor for a certification of wai
ned in the following schedule:—

teachers in agricultural, normal, textile, military, activities.

(c) Miscellaneous special duties such as the following of public records, direction of State census, school boards of registration, registrar of motor vehicles, fire warden, inspection of fish, and supervision of


(d) Any position in the classified service for which required appointment, no civil service list is available

The procedure under which appointments herein contemplated would be made is as follows:

Application for the appointment, containing the name of the proposed appointee, with the recommended salary of the duties to be performed, and a statement of the position should be made without compensation for reasons such as are set forth above (to be transmitted to the Governor from the department in which the appointee would be employed). The Governor and Council would pass upon the application, and certify to the Civil Service Commission that the appointee is qualified for the position without competitive examination interest.

The commission would thereupon consider the proposed appointee was qualified by education, and experience to perform the duties of the position should so certify within thirty days of the proposed appointee was received, the position would be made, subject to all provisions relating to acceptance of office, oath of office, and having all the rights and privileges of persons in the classified civil service of the Commonwealth.

4. Existing exemptions not above retained



and matrons.
laundry, and miscellaneous house workers.
firemen, plumbers, steam fitters, electricians, &
s.
assistants.
and gardeners.

and chauffeurs.
and unclassified labor.

removal of civil service employees, other than
the employ of the State, whether appointed by
competitive examination, should be under the
instead of those now provided by law: —
Every employee should first have the right of
the head of the department in which he is
of the department sustained the removal,
and have an appeal to a special board of
(the courts), this board of review consisting
as follows: —

Chairman of the Civil Service Commission, or an
whom he might delegate to sit in any particular
n appointed by the Governor, with the advice and
,
n nominated by the association of State employe
the Governor, with the advice and consent of the

member or members of this board already in t
should receive no additional compensation. T
the other members or member should be
r and Council.

Decision of the majority of this board in any
should be final.

It should be required to confirm the discharge

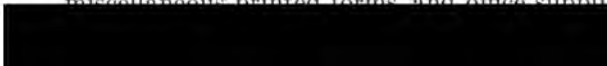
CENTRALIZED PURCHASING

Under this section the Commission is called upon to consider the State's purchasing methods and to suggest such changes as may be necessary to bring about the greatest economy. It also considers methods of disposing of the products of salvage material.

There is now no uniformity in purchasing among the various departments, nor any standardization of prices. Several departments purchasing large quantities of coal or other supplies have well-organized and efficient purchasing bureaus. Other similar departments permit their subordinate agents of their different departments to purchase supplies as they see fit, usually locally and at the lowest price. It is inevitable that haphazard purchasing results in higher costs than systematic purchasing.

The Commission has made a study of the results under the two methods with respect to economy and is able to present approximate estimates (based upon 1921 conditions) if the most efficient method in use were universally applied. If the system now used by the Mental Diseases Department were used throughout the State in commissary supplies in the four large departments, the saving would be \$90,000. If coal for the State were purchased under best practice, the saving would be \$100,000. By purchasing under blanket contracts when advantageous, further substantial savings could be made.

It is not practicable to make similarly direct savings from uniform, standardized purchase of other materials required in the State's institutions. A considerable amount is beyond question for miscellaneous printed forms and office supplies.



and Washington, and have been recommended in other States.

Of the advantages and precedents above mentioned, the Commission recommends that all materials and supplies of the various departments and other activities (except military supplies) be purchased in the direction of a central purchasing bureau, headed by a person of ability and extended experience. Because of the conspicuous success of certain local purchasing organizations, it would be logical for the Commission so recommends, to transfer the management of these organizations who are responsible for their success to the proposed central bureau. This would be a transfer of methods found effective in one department to similar activities as well.


It is essential that centralized purchasing should not interfere with prompt delivery of commissary or other supplies. The bureau should therefore be permitted to allow each department or institution to place local orders for special or unimportant materials on which centralized purchasing would show no advantage. Furthermore, the bureau should have the authority to make blanket contracts for supplies under which, during a specified period, delivery would be made at designated points under requisitions issued to the contractor, subject to the terms, conditions, and prices of the contract. This would combine the advantages of centralized quantity purchases with local delivery. The bureau should be provided with separate budget appropriations (in addition to the departmental appropriations) as might be needed in connection with the advance orders placed to take advantage of favorable market conditions.

ably be harmonized and covered by standard what, if any, materials are so lacking in formity as to warrant blanket authorization chase. The other members of this advisory representatives designated by the heads of departments most affected by centralized purchasing co-operation with the purchasing bureau proved quality of materials, regularity of supply in cost.

It does not appear necessary to create a department to handle this new activity a hand, its necessary intimate contact with executive departments makes it undesirable to them having extensive supply requirements proposed to include it in the new Department of Education and Finance, the organization details of Section I. This department will have fun with printing and budget procedure which the purchasing bureau. All important contracts the purchasing agent should be approved by made up of the purchasing agent and the other associate commissioners of the Department of Education and Finance.

The products of State institutions are to State needs of such materials. To that end a central purchasing bureau should see that the for such needs and the prices reasonable. also recommend new products or services where it would appear of advantage to the whole.

This bureau should also be authorized to departments for inventories of excess, and



on deals with —

bility of taking further steps toward placing the State on a self-supporting basis, through the efficiency of the State.

The Commission looks upon the activities of the State as falling into two classes: (1) those which are of general character, such as protection of person and property, education, and the construction of public works, etc.; (2) those which are of special character, such as hospitals, charities, registrations, supervisions, etc. Those in the first class are almost universally subject to taxation. Those in the second class have no right to taxation. In Massachusetts the principle of special activities has been endorsed in part, but it is by no means consistent or complete. A study of other States shows that in general the State is self-supporting or supported by political subdivisions more than has this State.

The following statistics for the year 1918, taken from the United States census report previously referred to, show that Massachusetts spent \$2.89 per capita for charitable and correctional purposes, which is more than any other State, and more than twice the average of the other States, which is \$1.28. The greatest difference lies in the cost of the State hospital, for which Massachusetts spent more money per capita than any State except New York, although it ranked

The Commission is of the opinion that the State should be relieved of its special activities, and that, so far as possible, they should be made self-supporting. It is of the opinion that this result can be wholly accomplished


1. Registration fees and licenses.
2. Fees for examinations and supervision.
3. Charges for support of inmates of institutions.
4. Miscellaneous charges.

1. REGISTRATION FEES

The fees in effect for registration of persons and professions are, as a whole, cover the direct expenses of examination, inconsistencies in the schedules. The fees embalmers and pharmacists are small as compared with other occupations of similar qualifications. Dental applicants are re-examined free, while additional charge lower than the initial fee. Fees should be uniform. Fees for registration of persons examined in other States are to some extent excessive. The fees for electricians and plumbers are not in accord, the former being small. The same is true of the annual renewal in these occupations.

There is no uniformity among the occupations with respect to such annual license charges. From doctors, dentists, pharmacists, and nurses, embalmers, chiropodists, optometrists, plumbers are required to make annual payments consistent with each other, at least if they are considered. It has been suggested that annual registration fees be established for all such occupations as a check upon the continued practice of

The fees now charged for examination of men are nominal, and do not cover the cost



structures, which would cover the cost of the schedule should be put into effect.

are charged for the licensing or inspection of used for the storage of explosives and inflamm recommended that fees be established for this s its cost.

mmended that the fees for notary, justice commissioners now collected by the Secreased to not less than \$10, for greater coorth of these commissions.

licensing drug stores, dispensaries, private lorage warehouses are small; but the revefrom are unimportant except in the case ehouses, which should pay substantial;portional to the volume of their business ections. It has been suggested that there graduated schedule of charges, with a minr for 500,000 pounds or less of material snt, and, after suitable intermediate steps,0 per year for 100,000,000 pounds or more or its equivalent. Without careful analye a reasonable schedule.

rtment of Public Safety now inspects steaand pressure tanks, charging therefor fee the cost of the service. It is recommenincreased to approximately double their order fully to cover the inspection costs. racter is also done by private boiler inspecencies, and the certificates of these agen the State as evidence of the safe conditio

A large proportion of the total boilers wiinspected. The increase of State inspect


aneous matters, for the reasons that this extended study of the costs and character of not wholly convinced that the occupations or proposed to be covered by the above-licenses include all the matters that should that all the matters which have been covered for supervision. The subject is too covered in an investigation such as the Commission taken, but it recommends that further care required at the hands of the administrative

2. FEES FOR EXAMINATIONS AND

Activities of this character are primarily Departments of Corporations and Taxation Insurance. They include examinations of companies, and other banking institutions; in brokers, and agents; and other corporate now charged are in most cases admitted should be increased to cover the cost of the At least some of the institutions affected should the full cost of this service, and have recommended more complete and effective than practicable. The determination of suitable is also a matter for the attention of the elements affected, after due consideration of proved and more extended service. The recommends that such attention be required.

3. CHARGES FOR SUPPORT OF INMATES

The Commission has pointed out in its collections from patients in mental disease
times are very small as compared with the



ty of the Commission is of the opinion that the machinery is inadequate, and that, if the cost is in some way to be called upon to bear a proportioned cost of caring for patients, the amount of the cost to them and their relatives would be increased in some other way.

And that all possible revenues from these sources, the majority recommends that, with respect to the care of Mental Diseases, one third of the cost of supporting patients be assessed by the State of supporting patients be assessed by the State of towns in which those patients have a residence, and not increase local taxes, as there will be a reduction in the State tax. It is solely to save the local authorities aid in the collection of the cost. The minority of the Commission is opposed to this recommendation, especially for the reason that they fear that an attempt of part payment by cities and towns might result in a less efficient care of the patients, and may be detrimental to the prevention of further increase in the number of mentally defective.

They feel that the extra amount which would be required is problematical, especially when it is offset by the savings which would be entailed in determining the set-off.

The majority is in hearty accord with the majority recommendation of increased collections, but they feel that it is a departure from the present policy, which has proved successful, and is followed by thirty-four other States, and they are not in favor of it with the certainty that the benefits will more than make up for the disadvantages.

The Commission has also recommended that the total cost of the care of these institutions at the present time, is


the sanatoria, estimated to be \$12 per pa-
that, if full collections cannot be made f-
their relatives, one third of the unpaid bal-
assessed back upon the cities and towns in
have settlement. This payment would be
week now paid by the cities and towns.

4. MISCELLANEOUS CHAR

Under this general heading is included a
tion of services of specific rather than gener-
not paid for or for which the charges are
the cost of the service rendered. The C
mendations with reference thereto are nec-

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either all or none of the utilities should con-
tenance of the department. It has been t
Massachusetts to assess the cost of supervis-
ties concerned, and the Commission is not c-
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case of public utilities. It therefore re-
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make more definite recommendations regard-
recommends that specific schedules and pro-
plication be prepared and put into effect.
preferably be done by the Department of
Finance, with the advice and assistance of
Cabinet.

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of their cost.

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were made, its standing might be improve-
rtment of Public Works collects license fee-
of motor vehicles, the proceeds being used
nance and construction. The Commission
in the near future a very large increas-

THIS TAX SHOULD BE AS HEAVY AS POSSIBLE IN
USE OF THE ROADS.

The Commission advises a revision of
registration fees, in order that they shall be m
and proportionate to the wear and tear up
present a Ford runabout may pay the sam
passenger limousine. Special attention shou
for motor trucks, and in determining these fe
should be drawn between trucks which ar
wagons and those which are used as commo
or passengers. Weight, loaded and unloaded
kind of tires are also elements to be conside
ratings and fees. Other States have law
matters, which show on the whole a much
fees than those in Massachusetts.

In addition to a revision of fees, the Com
gated the subject of a tax upon gasoline and
propelling motor vehicles. Such a tax ha
fourteen States of the Union, and similar law
in many other States. In passing these g
has been the theory that the amount of ga
very direct proportion to the use and wear
roads. It is obvious that the large car, in
up the roads more than does the small,
amount of fuel used in each varies in prop
and weight. Thus the tax proposed bears
each. The man with the small car, using
perhaps using this car only a small portion
pay a much less tax than the owner of th
continuously.

Such a tax also puts a burden upon the ca
but not registered in this State, and also i



ted.

her recommended that 75 per cent of the amount remaining after deducting the cost of its collection be expended by the Department of Public Works for the maintenance and construction of State highways. The remaining 25 per cent to be distributed among the counties of the Commonwealth in proportion to the State tax levied upon the maintenance and construction of highways within their limits under specifications furnished by the Department of Public Works. The local roads improved or built would doubtless in many cases be rough routes of travel, but no such requirement is made. More specific details of this proposed tax are contained in the draft of a law which

billboards along public highways are now erected by the Department of the Public Works Department, which collects license taxes amounting to \$2 for each billboard erected. The Commission recommends that such fees be substantially increased, and that the increase be made in proportion to the size of the board, the fee being greater for large boards than for small ones. The purpose of this recommendation is not primarily to increase revenue, but to discourage the erection of billboards along the public highways.


The Commission is also of the opinion that greater revenue might be collected from properly regulated amusements and other private activities located upon property owned or controlled by the State, and recommends that the attention of those officials charged with the duty of

The Commission realizes that there is more along the lines above suggested, and it finds belief that it has laid a foundation, through Cabinet and otherwise, for the future auto these matters.

The Commission is particularly gratified present a report that in all essential respects recommendations are unanimous, with the on covering the charging back to cities and town unrecovered cost of caring for settled menta It is unanimous upon all other subjects her two exceptions, namely, whether the metropol should be placed under the Department of I whether the veteran's preference law as it n mental to securing best qualified State empl

The Commission desires to express its a assistance and co-operation freely extended inquiries and deliberations by all State depai

EDWIN S. WE
BERNARD EAI
GARDNER W.
LEONARD F. I
CARL C. EMEI
HARRY C. WO
JOSEPH L. LAI
EBEN S. DRAI
JOHN MITCHE
CHARLES F. V
MARION CHUI
GEORGE URIE
ADOLPH EHRI



on deals with —

ability of taking further steps toward placing the State on a self-supporting basis, through the exercise.

The commission looks upon the activities of the State as falling into two classes: (1) those which are of general benefit, such as protection of person and property, education, and the carrying on of public works, etc.; (2) those which are of special benefit to certain individuals or organizations, such as hospitals, charities, registrations, supervisions, etc. Those in the first class are almost universally self-supporting by taxation. Those in the second class have no right to public treatment. In Massachusetts the principle of separating special activities has been endorsed in part, but it is by no means consistent or complete. A study of other States shows that in general the State has less self-support or support by political subdivisions than has this State.

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The commission is of the opinion that the State should reduce its expenditures from its special activities, and that, so far as possible, they should be made self-supporting. It is of the opinion that this result can be wholly accomplished


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There is no uniformity among the occupations with respect to such annual license charges. The fees for doctors, dentists, pharmacists, and nurses, embalmers, chiropodists, optometrists and plumbers are required to make annual payment consistent with each other, at least if the renewal fees are considered. It has been suggested that annual registration fees be established for all such persons as a check upon the continued practice of the profession.

The fees now charged for examination of persons are nominal, and do not cover the cost of the examination.



structures, which would cover the cost of the schedule should be put into effect.

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recommended that the fees for notary, justice commissioners now collected by the Secretary be increased to not less than \$10, for greater worth of these commissions.

licensing drug stores, dispensaries, private storage warehouses are small; but the revenues therefrom are unimportant except in the case of large warehouses, which should pay substantial fees proportional to the volume of their business transactions. It has been suggested that there be a graduated schedule of charges, with a minimum for 500,000 pounds or less of material stored, and, after suitable intermediate steps, \$100 per year for 100,000,000 pounds or more of material or its equivalent. Without careful analysis there can be no reasonable schedule.

The Department of Public Safety now inspects steam and pressure tanks, charging therefor fees for the cost of the service. It is recommended that these fees be increased to approximately double their present amount in order fully to cover the inspection costs.

The same character is also done by private boiler inspection agencies, and the certificates of these agencies are accepted by the State as evidence of the safe condition of the boilers.

A large proportion of the total boilers will be inspected. The increase of State inspection


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and that all possible revenues from these sources, the majority recommends that, with respect to the care of Mental Diseases, one third of the uniform State of supporting patients be assessed by cities and towns in which those patients have a residence, and that they not increase local taxes, as there will be a corresponding reduction in the State tax. It is solely to save the saving local authorities aid in the collection of the same. The minority of the Commission is opposed to this recommendation, primarily for the reason that they fear that a system of part payment by cities and towns might result in a less efficient care of the patients, and may be detrimental to the prevention of further increases in the number of mentally defective.

They feel that the extra amount which would be required is problematical, especially when it is offset by the fact that it would be entailed in determining the set rates for patients.

The majority is in hearty accord with the majority recommendation of increased collections, but they feel that it is a departure from the present policy, which has proved successful, and which has been followed by thirty-four other States, and they are not in favor with the certainty that the benefits will more than offset the disadvantages.

The majority has further unanimously recommended that the total cost of maintaining these institutions at the present time, in


the sanatoria, estimated to be \$12 per patient, that, if full collections cannot be made from their relatives, one third of the unpaid balance be assessed back upon the cities and towns in their next tax year. This payment would be in the week now paid by the cities and towns.

4. MISCELLANEOUS CHARGES

Under this general heading is included a number of services of specific rather than general character for which the charges are not paid for or for which the charges are in part the cost of the service rendered. The Commission's recommendations with reference thereto are necessary.

The Department of Public Utilities supervises gas and electric utilities, collecting from them for such supervision, but makes no similar charges for roads, electric railways, and other supervised public utilities. The Commission sees no reason why there should be a distinction in the practice of the department, either all or none of the utilities should contribute to the cost of the department. It has been the practice in Massachusetts to assess the cost of supervision of public utilities concerned, and the Commission is not convinced that there is any adequate reason for departure from this practice in the case of public utilities. It therefore recommends that public utilities supervised by this department contribute their support under provisions similar to those now in effect in respect to gas and electric utilities.

The Department of Education conducts the field of advanced education. The Commission has given careful consideration to the subject of



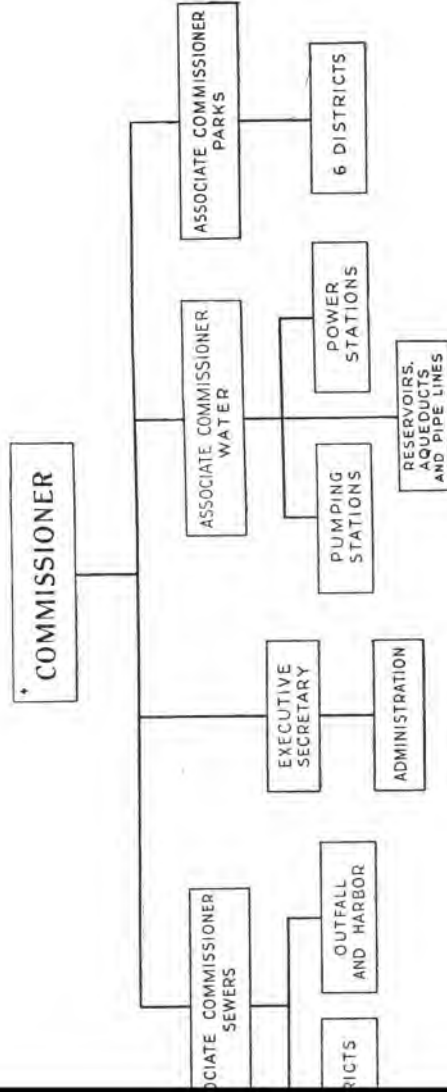
now charged for university extension cou-
ications used therein are nominal, and might
be increased without impairing the effectiveness

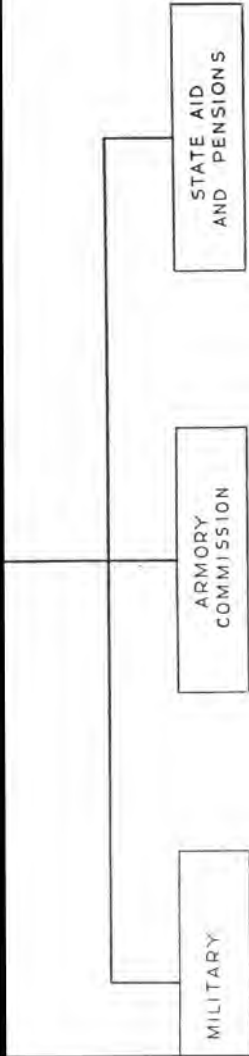
The Commissioner of Education should be auth-
orized to make increases as are necessary to cover the full
costs of the department, including a proper
share of the general administrative costs of the depart-
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of maps and documents. A vast number of Sta-
te publications of various kinds is distributed without charge.

The Department should be authorized to make charges for State publications suf-
ficient to cover the full cost, except to legislative members, oth-
er State officers, libraries and other institutions and exchan-
ges, which are entitled thereto. The Commission does
not recommend more definite recommendations regard-
ing the same. It recommends that specific schedules and pro-
cedure for application be prepared and put into effect.
This work preferably be done by the Department of Fi-
nance, with the advice and assistance of the
Attorney General and the Cabinet.

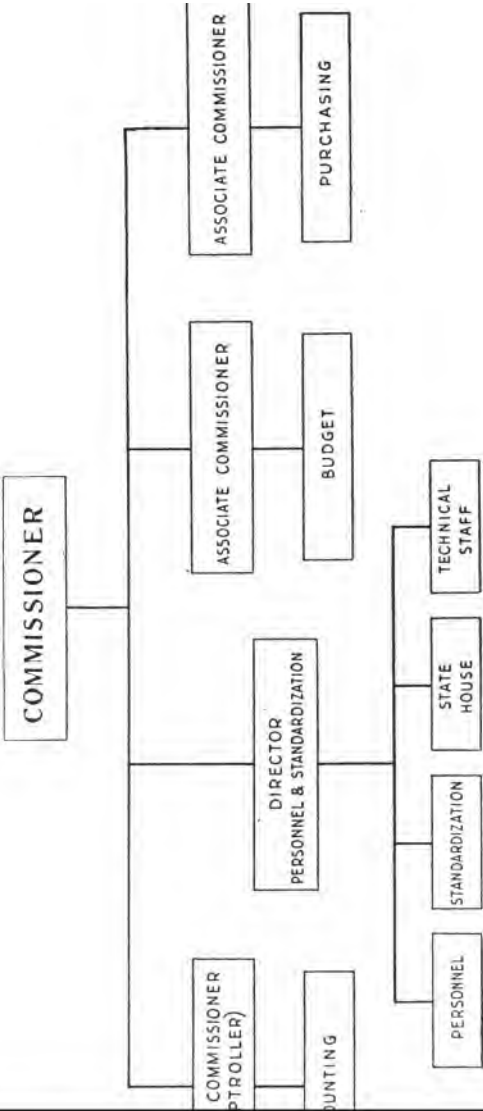
The Civil Service Commission conducts examinations without
charge of applicants for State employment. It
should be authorized to charge fees for such examinations, to
cover the full cost of their conduct.

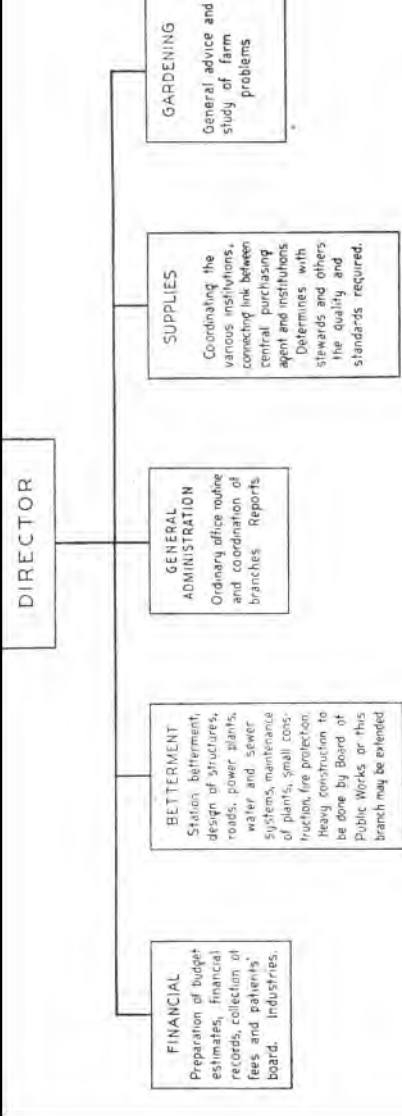
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The Commission thinks that, if a nominal charge
were made, its standing might be improved. The
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highway maintenance and construction. The Commission
recommends that in the near future a very large increase



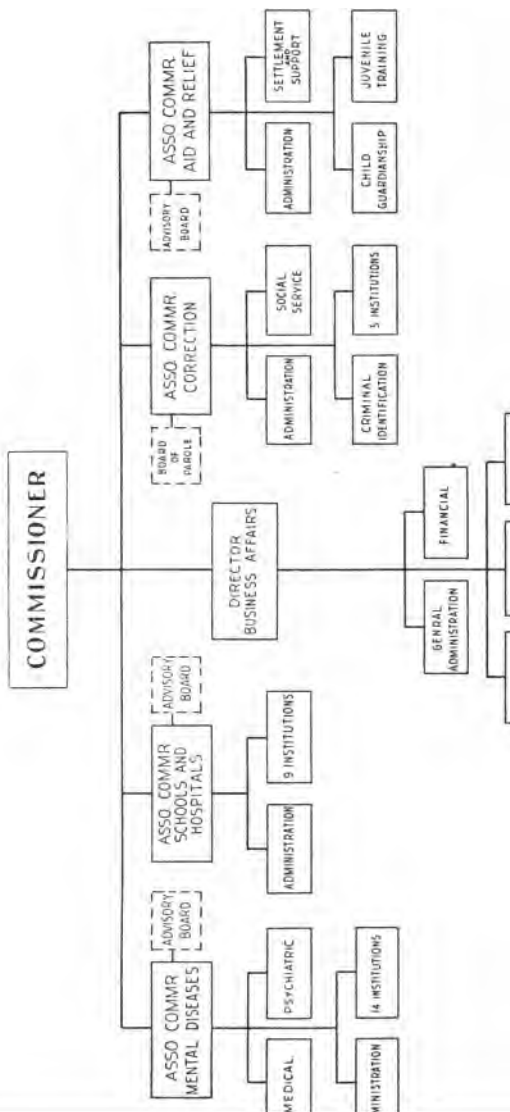


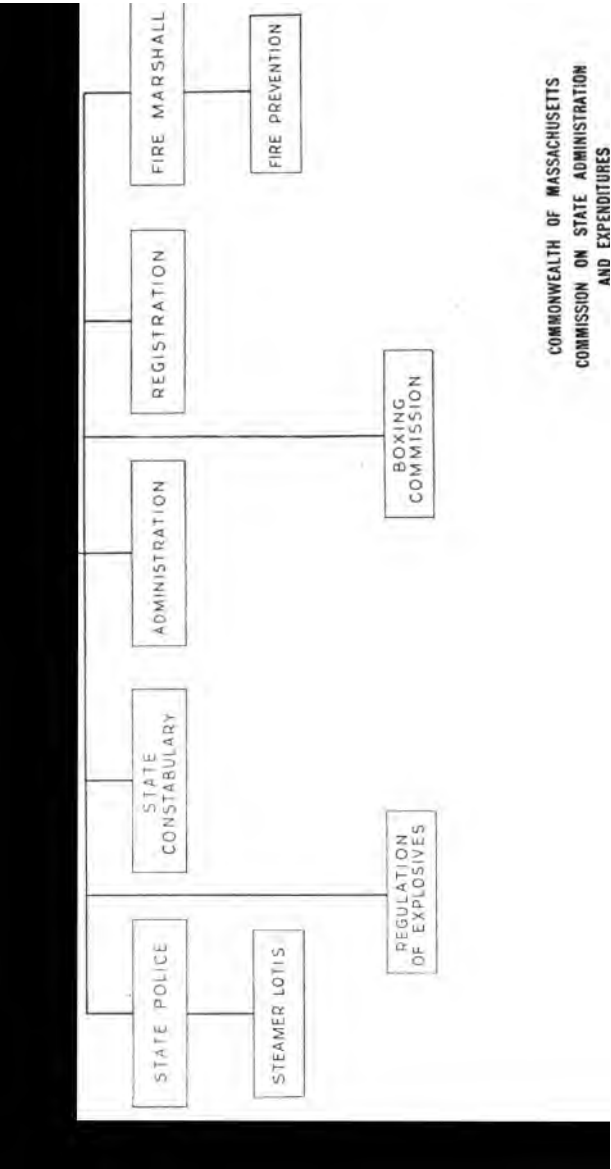
COMMONWEALTH OF MASSACHUSETTS
COMMISSION ON STATE ADMINISTRATION
AND EXPENDITURES

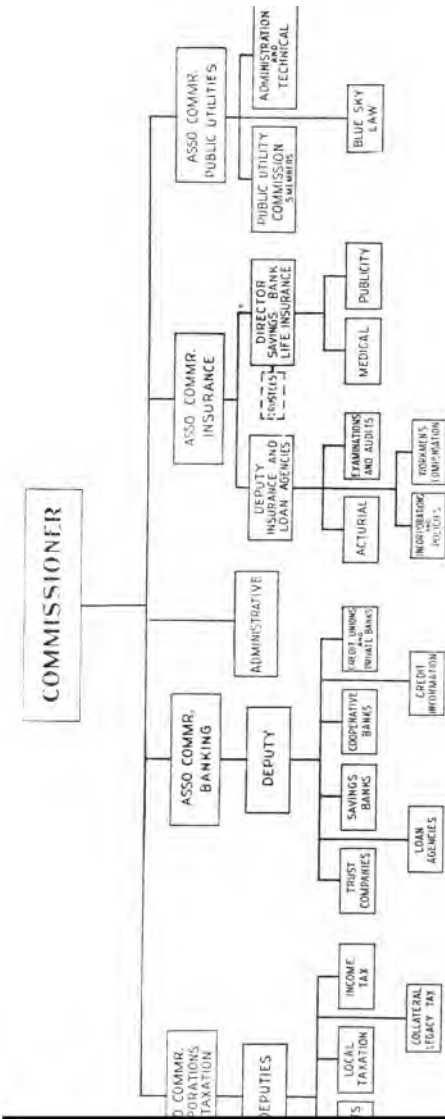


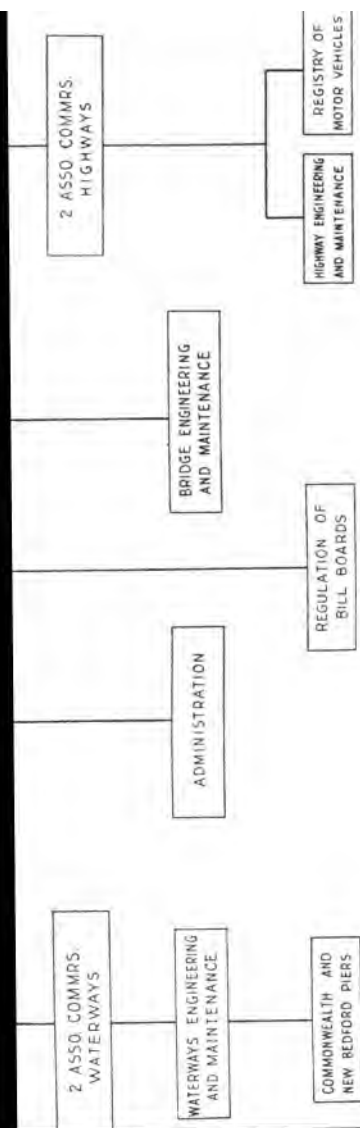


**COMMONWEALTH OF MASSACHUSETTS
COMMISSION ON STATE ADMINISTRATION
AND EXPENDITURES**







2 ASSO. COMMS.
WATERWAYSWATERWAYS ENGINEERING
AND MAINTENANCE

ADMINISTRATION

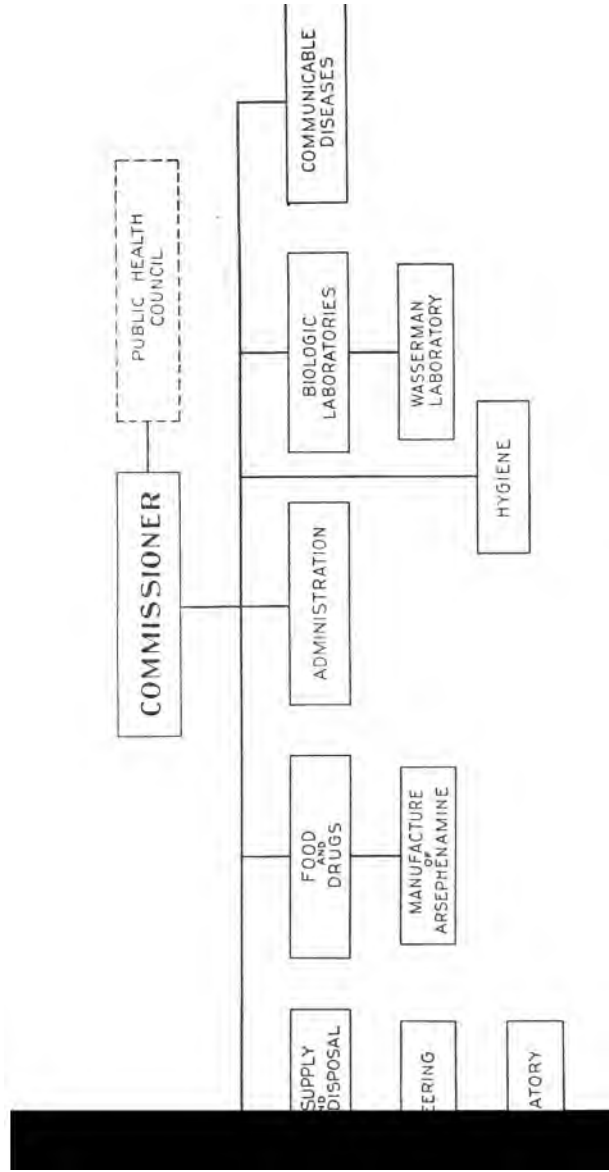
BRIDGE ENGINEERING
AND MAINTENANCE

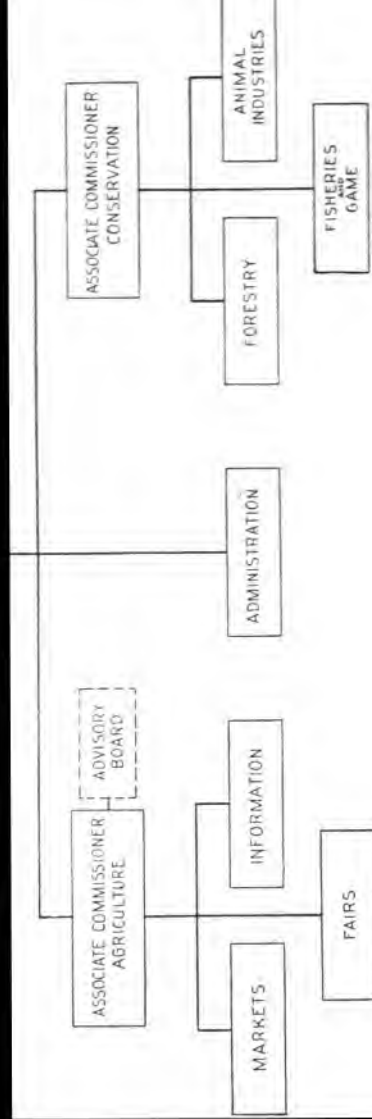
COMMONWEALTH AND
NEW BEDFORD PIERS

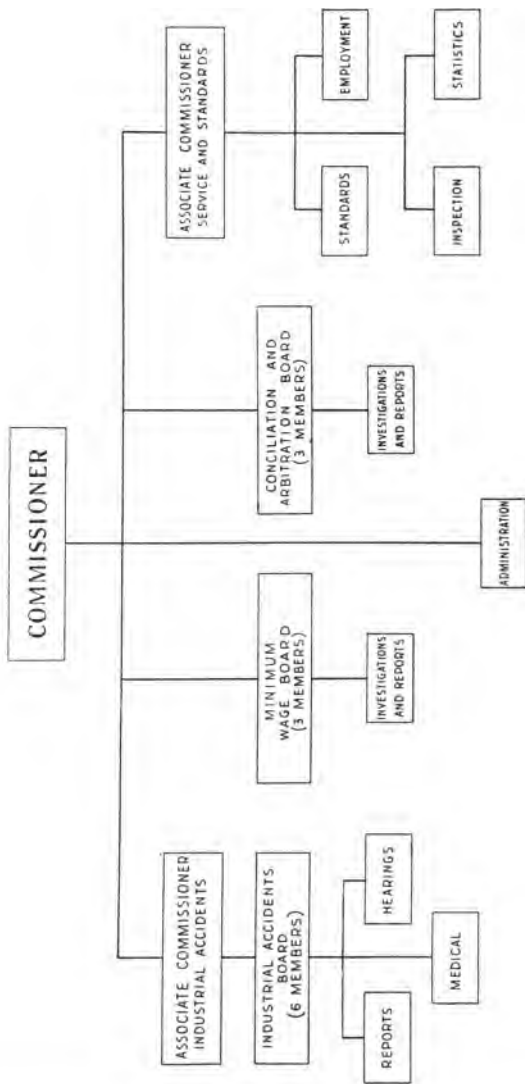
REGULATION OF
BILL BOARDSHIGHWAY ENGINEERING
AND MAINTENANCE

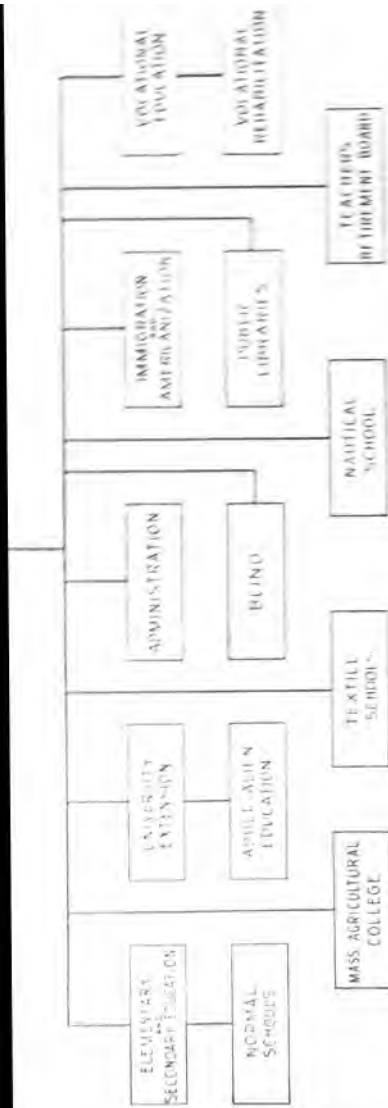
REGISTRY OF
MOTOR VEHICLES

COMMONWEALTH OF MASSACHUSETTS
COMMISSION ON STATE ADMINISTRATION
AND EXPENDITURES









COMMONWEALTH OF MASSACHUSETTS
COMMISSION ON STATE ADMINISTRATION
AND EXPENDITURES









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A. E. M^c Caffrey
P. d. Sec. Dep.

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